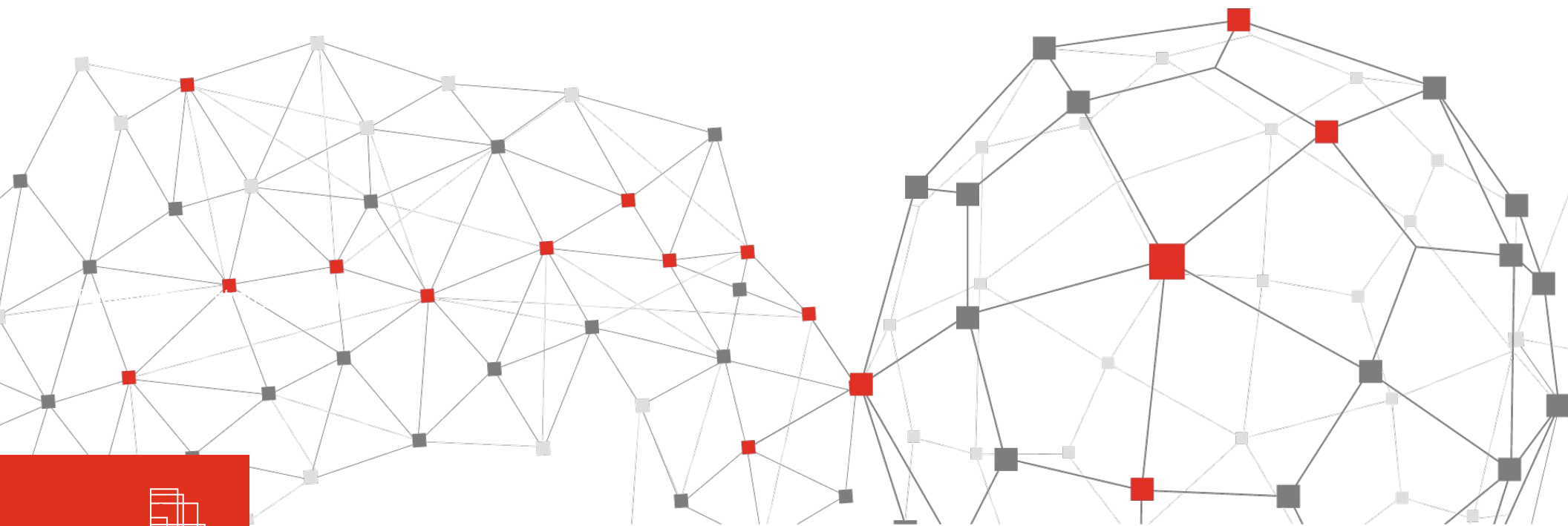


COVID-19

Tax and regulatory measures for the European real estate industry

14 May 2020



This document is for general information purposes only, and should not be used as a substitute for consultation with professional advisors.

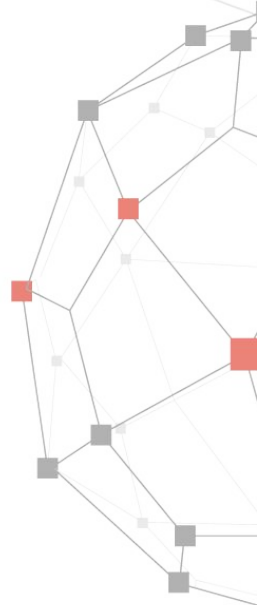
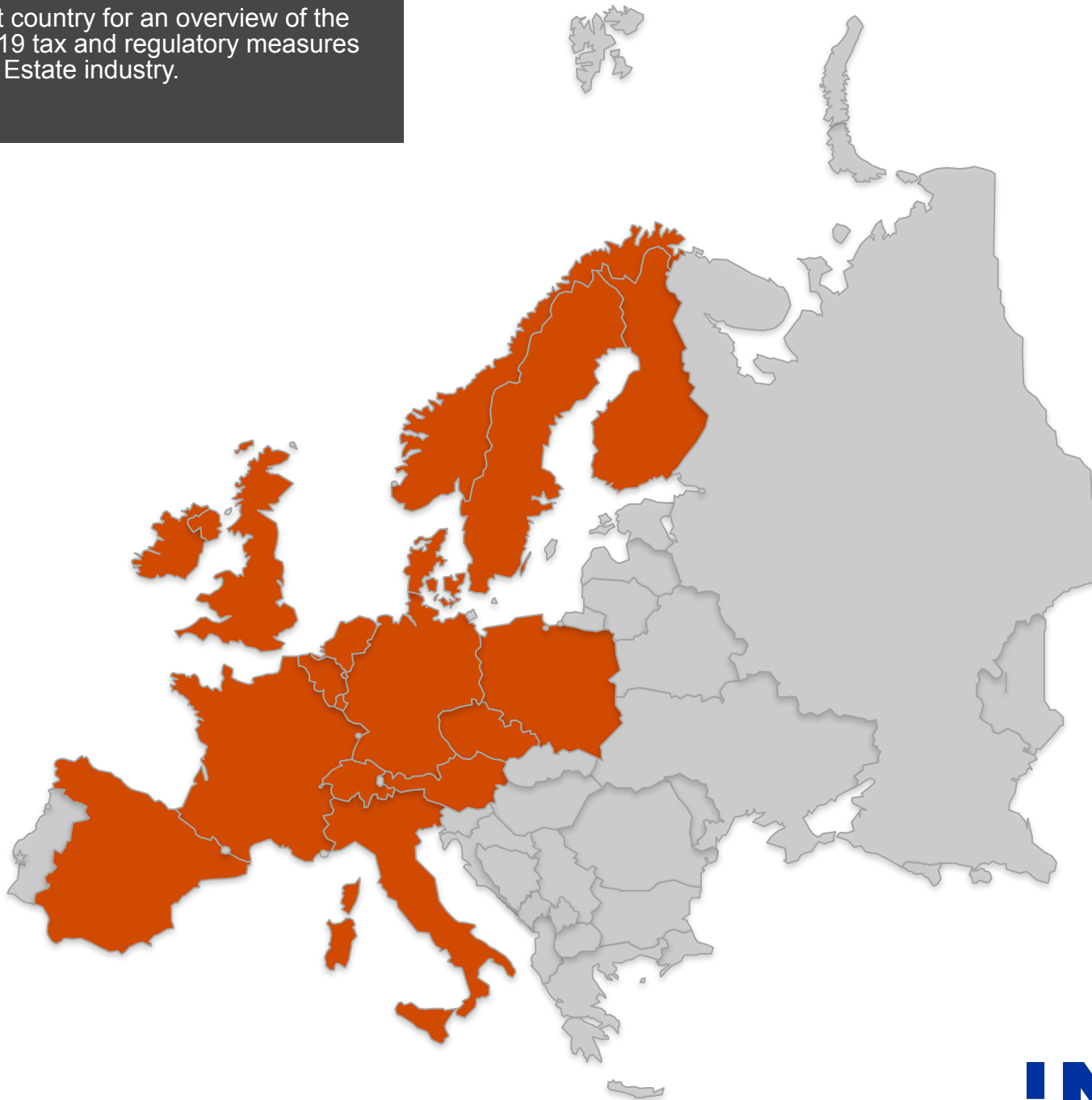
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Most common introduced measures

Countries	Postponement filing deadline	Deferment of CIT advancements or payment	Lower or no interest on late tax payment	Deferral of VAT on deferred rental payment	Early retroactive settlement of tax loss incurred in 2020
Austria	✓	✓*	✓*		
Belgium	✓	✓	✓*		
Czech Republic	✓	✓*	✓*	✓	✓
Denmark	✓				
Finland	✓				✓*
France	✓	✓*			✓*
Germany		✓	✓	✓	✓*
Ireland		✓*	✓*		
Italy	✓	✓	✓*		
Luxembourg	✓*	✓	✓		
The Netherlands	✓	✓	✓		✓
Norway	✓	✓	✓		✓*
Poland	✓	✓	✓*		✓
Spain	✓*	✓*	✓*		
Sweden					✓*
Switzerland		✓	✓**		✓*
United Kingdom		✓*	✓*		

* Additional conditions apply relating to COVID-19.
 ** Does not apply for withholding taxes.

Click on the relevant country for an overview of the most recent COVID-19 tax and regulatory measures relevant for the Real Estate industry.



Austria (1/2)

(Last updated: 13/05/2020)

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Current tax measures

- Reduction of advance payments for income tax or corporate income tax for 2020 to the extent of the expected reduction in the tax base (possibly to EUR 0.00).
- Interest is not to be assessed if an additional income tax or corporate income tax claim arises in the course of the assessment 2020 due to the reduction of advance payments.
- Filing deadline for annual tax returns 2018 are extended until 31 August 2020.
- Filing deadlines for tax appeals which were open on 16 March 2020 or which begin between 16 March and 30 April 2020 start to commence on 1 May 2020 again.
- Deferral or suspension of tax audits.
- Deferral or instalment applications have to be approved.
- Interest is not to be assessed if an additional income tax or corporate income tax claim arises in the course of the assessment 2020 due to the reduction of advance payments.
- Upon request, late payment surcharges can be reduced or not assessed.
- A refund of tax credits is possible although tax payments are deferred (i.e. the tax refund is not automatically offset with deferred tax payments). This regulation is applicable in the period from 11 May to 30 September 2020.

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Austria (2/2)

(Last updated: 13/05/2020)

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Further Information

- <https://www.pwc.at/de/newsletter/austrian-tax-news/2020/atn-special-issue-COVID-1.html>
- <https://sites.google.com/pwc.com/pwcat-COVID-19-guidelines/home>

Concerning VAT

- <https://globalvatonline.pwc.com/COVID-19-summary>

Webcast series

- <https://aktuell.pwc.at/eventview/?p=z3e2363dbef473276da45b02f79b734513b14aba00ed2317b175787265d21587c>

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Belgium (1/2)

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Current tax measures

- Companies that can prove they are facing difficulties as a direct result from the coronavirus spread can request for payment arrangements, waiver of late payment interest or late payment fines for professional WHT, VAT, personal income tax, CIT and legal entities tax.
- Postponement of the filing deadline:
 - for the monthly and quarterly VAT returns, intra-community listing and annual VAT sales listing; and
 - for corporate income tax, legal entities' income tax and corporate income tax/non-resident tax returns for companies with closing date/balance sheet date between 1 October 2019 and 30 December 2019: filing deadline 7 months (instead of 6) calculated from the closing date.
- Accelerated repayment of VAT credit for VAT liable persons filing monthly VAT returns (conditions apply).
- Automatic delay of 2 months for VAT and professional WHT payments (including payments related to April) and automatic delay of 2 months for the payment of the personal income tax, CIT, legal entity income tax and non-resident income tax assessed as per 12/3/2020.
- CIT: Write-downs on doubtful trade receivables: confirmation of qualification of COVID-19 measures as exceptional circumstances (one of the conditions for justifying the tax deductibility).
- CIT: increase of tax benefit of Q3 and Q4 advance tax payments.
- CIT exemption of COVID-19 related regional aids to companies.
- Several measures with respect to regional taxes
- Donation of medical supplies should not lead to a VAT cost.

Belgium (2/2)

(Last updated: 13/05/2020)

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Real Estate

- Various measures with respect to property taxes (payment delay or postponement of assessments)
- Flemish region: transfer taxes: Extension until 30/9 for deadlines occurring before that date.
- Walloon region: reimbursement of part of transfer taxes if immovable property is re-sold within 2 years: temporary suspension of period.

Further information

- <https://www.pwc.com/gx/en/services/tax/navigate-the-tax-measures-in-response-to-Covid-19.html>
- <https://www.pwc.be/en/helping-firms-mitigate-the-potential-impact-of-covid-19.html>

Concerning VAT

- <https://globalvatonline.pwc.com/COVID-19-summary>

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Czech Republic (1/2)

(Last updated: 13/05/2020)



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Current tax measures

- Deadline for corporate income tax return for year 2019 is effectively extended until 1 July 2020 instead of usual 1 April 2020.
- Waiver of the late payment interest; of the interest connected to deferral of VAT payment or VAT payment installment schedule; automatic waiver of the sanction for late submission of the VAT return if the tax office grants one of the two above waivers as well; and waiver of other sanctions for late submission of the control statement (all sanctions from CZK 10,000 to CZK 50,000). This applies on cases when the appeal is issued within period of 1 March 2020 to 31 July 2020.
- General waiver of administrative fees for filing of the respective requests.
- (All sanctions can be waived only after the related VAT liability is paid and respective control statement(s) submitted.)
- Remission of default interest and interest on the deferred amount in line with the Decree of the General Financial Directorate D-44.
- The obligation to pay advance payments for CIT due by 15 June 2020 is waived (i.e. advanced payments do not have to be paid and the tax authorities will not assess sanctions). This concerns the second advance payment for quarterly payers and first advance payment for semi-annual payers.
- Possibility to apply a tax loss created in 2020 (for a tax return submitted in 2021) retrospectively in the tax returns for 2019 and 2018 ("loss carryback"). This concerns both legal and natural persons. This measure will require an amendment to the Income Tax Act.

Czech Republic (2/2)

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Real Estate

- Companies that have had to close down operations due to measures in the context of the coronavirus pandemic will be able to take advantage of the deferral of rent payment. The withdrawal period runs from March 12, when the state of emergency was declared, and will last until 30 June 2020. The bill has been approved by the government and will now go to the Chamber of Deputies in a state of legislative emergency. It is likely that it shall pass.
- The lessor will not be allowed to give notice to the entrepreneur if the inability to pay the rent is related to a pandemic. The entrepreneurs/companies will have two years to repay the instalments, i.e. until 31 March 2022.

Further information

Concerning CIT, VAT, PIT etc. – available in both EN & CZ

- <https://www.pwc.com/cz/en/temata/COVID-19-pravni-a-danovy-servis.html>

Other

- <https://globalvatonline.pwc.com/COVID-19-summary>

Denmark (1/2)

(Last updated: 13/05/2020)

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Current tax measures

- Possibility of larger deposits on the “tax account”.
- No negative interest on deposits on the online tax account.
- Limit for deposits is increased to DKK 10m for the period 25 March to 30 November 2020 and DKK 100b for the period 7 May 2020 to 1 April 2021.
- Payouts can be made in the period by lowering the threshold.
- Payment deadlines for PAYE Tax, B-income tax and provisional labour market contributions are deferred.
- VAT credit period is temporarily extended. Extension of the deadline for reporting and payment of VAT: extension period depends on whether VAT is reported on a monthly, quarterly or half year basis.
- Improved possibilities for reimbursement of wages and/or sickness benefit due to COVID-19 absence.
- Salary compensation as an alternative to lay off.
- Additional compensation for fixed cost if certain conditions are met (considerably extended)
- Ordinary deadline for both statutory and corporate income tax return (2019 income year) filing are postponed until 31 August 2020 (SFS) 1 September 2020 (CIT).
- Advanced payment of the tax base of the portion of losses which are attributable to research and development activities under the Danish R&D tax credit scheme.
- Issuance of interest free loan from the Danish Government equal to the VAT liability for the last half-year/last quarter of 2020 (depending on the companies' turnover for VAT purposes).
- Advanced repayment of tax on account for 2019 and 2020.

Denmark (2/2)

(Last updated: 13/05/2020)

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Current tax measures (cont'd)

- Expanded salary compensation for freelancers with a decrease in income which exceeds 30%.
- Issuance of interest free loan from the Danish Government for certain companies liable for Danish payroll tax equal to the payroll tax liability for either the first quarter of 2020.

Further information

- <https://www.pwc.dk/da/COVID-19.html>
- <https://sites.google.com/pwc.com/COVID-19infosite>

Concerning VAT

- <https://globalvatonline.pwc.com/COVID-19-summary>

General information

- <https://politi.dk/en/coronavirus-in-denmark>

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Finland (1/2)

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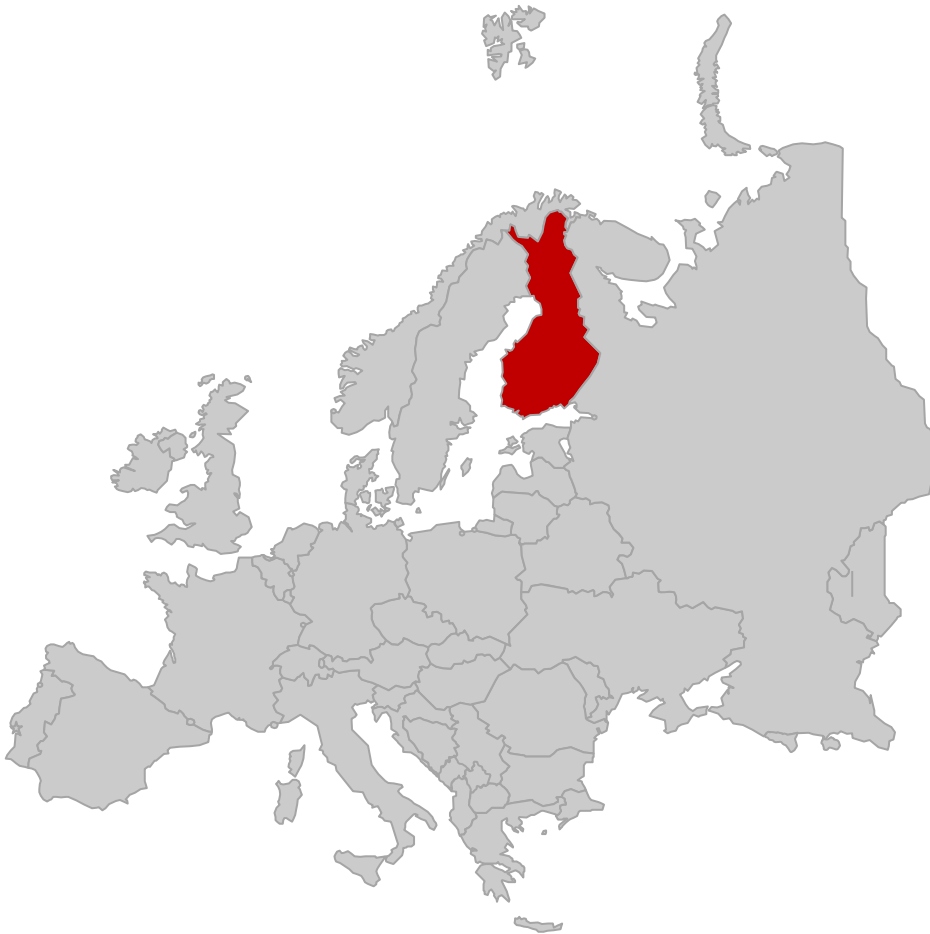
Current tax measures

- Filing deadline for corporate tax returns is extended by one month. The tax return should be filed on Monday 1 June 2020 at the latest.
 - Applies to corporate entities and benefits under joint administration whose accounting period ended between December 2019 and February 2020.
 - Application for longer extension for corporate income tax return filing possible – not possible for VAT return.
- No changes to filing VAT return or payment due dates.
- A company may not have to add late-payment interest to their payments if they are unable to pay the tax on time due to a special reason, such as illness. The removal of late-payment interest can be requested electronically in MyTax.
- Late filing penalties and late payment interest related to VAT can be removed on specific reasons only and only if requested by the taxpayer.
- Companies with temporary financial difficulties can request payment arrangements with eased terms starting 25 March 2020.
- Property owners must pay attention that tenants will continue to be liable for VAT (in particular in bankruptcy situations), if agreed in the lease agreement. Otherwise, the VAT deductions on real estate investments may have to be paid back to the Tax Authorities.
- The Finnish Tax Authorities enhance the handling of VAT refunds to VAT registered companies but no practical measures have been taken yet.
- Timing of output VAT payments to the Tax Authorities can be optimized, if invoices issued at the end of the month could be transferred to the beginning of the following month. This would allow one month additional time for the payment of the VAT. Companies can also improve cash flow if they file taxes on a cash basis method, where possible, and thus, pay output VAT only when payment is received from the customers.

Finland (2/2)

(Last updated: 13/05/2020)

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Current tax measures (cont'd)

- If the actual income or expenses differ from the original estimates, the company may request a change to their prepayments. A refund related to prior year or a reduction of monthly prepayments related to current year can be applied for now.
- The employer's pension contributions will be temporarily reduced by 2.6 percentage points in 2020. The contribution reduction is valid from 1 May to 31 December 2020.

Further information

- <https://www.pwc.fi/en/services/assets/the-impacts-of-COVID-19-on-taxation-in-finland.pdf>
- <https://www.pwc.fi/en/services/tax/tax-news/finnish-tax-authorities-actions-to-support-companies-during-the-COVID-19-epidemia.html>

Concerning VAT

- <https://globalvatonline.pwc.com/COVID-19-summary>

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France (1/2)

(Last updated: 13/05/2020)



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Current tax measures

- Deferrals are granted for all direct tax and social security payments and local taxes (applicable to payments due in March or April).
- In case deferrals are not sufficient, it is possible to request tax rebates for corporate income tax, CFE and CVAE (subject to providing adequate documentation of the situation).
- Additional time is granted to companies to file their income statement for the financial year ending December 31, 2019 (until June 30 instead of May 20) subject to several conditions.
- Possibility to apply for early repayment of corporate tax receivables refundable in 2020.
- Impossible to distribute dividends or repurchase shares for large companies in 2020 that have benefited from support measures.
- VAT returns and payments due for the month of April 2020 will follow the usual deadlines during May 2020.
- Companies that are unable to gather all the information needed to prepare their VAT returns are authorized to use a declaration system based on a flat-rate assessment of the tax due.
- No new tax audit will be launched, and no procedural documents will be sent for ongoing tax audits.
- Additional time is granted to individuals to file their income tax return and their real estate wealth tax return.

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Real estate

- Lessors (individuals or legal person) are allowed to deduct from their taxable revenues or profits the loss resulting from a rent waiver without having to demonstrate that the waiver had a commercial purpose.

Several conditions must be met to benefit from such measure, notably:

- the lessee has to be a business;
- the lessor and the lessee have to not be related entities.
- For a lessee, the rent waiver constitutes a taxable profit, being specified that the limitation for offsetting the tax loss carry forward is increased up to the amount of the rent waiver.
- **This specific measure applies to rent waivers granted between 15 April 2020 and 31 December 2020.**

Further Information

- <https://www.pwcavocats.com/fr/ealertes/ealertes-france/2020/03/covid-19-emergency-measures-for-french-companies.html>

Concerning VAT

- <https://globalvatonline.pwc.com/COVID-19-summary>
- <https://www.pwcavocats.com/fr/ealertes/ealertes-international/2020/covid-19-simplification-measures-for-filling-in-the-french-vat-returns.html>

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Current tax measures

- Taxable persons directly and significantly affected by the impact of COVID-19:
 - may submit applications for deferral of taxes already due or becoming due up to 31 December 2020 which are administered by the state financial authorities on behalf of the federal government (including income tax, corporation tax, solidarity surcharge and VAT; not included payroll tax – with the exception of lump-sum payroll tax – and withholding tax).
 - may submit applications for the adjustment of prepayments on income and corporation tax; interest on deferral can be waived.
 - shall not be subject to enforcement for periods up to and including 31 December 2020; this should apply to all taxes in arrears or due by that date and enumerated above.
 - shall not be subject to late payment penalties charged within the period from 19 March 2020 to 31 December 2020.
 - may also apply for a reduction of the trade tax base for trade tax prepayment purposes until 31 December 2020.

The majority of the “Länder” has published application forms regarding the above mentioned measures. The scope of the announcements may vary.

According to a decree published by the Federal Ministry of Finance on 24 April 2020, taxpayers having income from agriculture or forestry, trade, self-employment or rent or lease and expect to suffer losses due to the COVID-19-pandemic in 2020, which may be carried back to 2019, may apply not only for a reduction of income or corporation tax prepayments for 2020 (to 0 EUR) but also for a retrospectively reduction of income or corporation tax prepayments made for 2019 based on a lump-sum (15% of the tax base for the prepayments in 2019) loss carry back.

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On 30 April 2020 the Federal Ministry of Finance published a draft bill with tax measures to manage the effects of the COVID-19-pandemic. The draft bill comprises VAT and income tax measures, inter alia it is planned to extend the time frame within certain corporate restructurings can be concluded with retroactive effect for tax purposes from eight to twelve months if the application for the registration with the trade register is made in 2020 or the restructuring contract is concluded in 2020. The period of application may be extended until 31 December 2021.

Real Estate

Tax Measures

- There is no concrete application decree of the German Ministry of Finance for the Real Estate industry, thus the general tax relief measures also apply for the Real Estate industry.
- Some federal states and municipalities grant interest-free deferrals for land tax (Lower-Saxony) and RETT (North Rhine-Westphalia, Bavaria) and provide for the possibility to waive land tax at a rate of 25 in the case of a reduction of income of agricultural and forestry enterprises (Saxony, Lower-Saxony), reliefs which are important for the Real Estate sector.

Economic Measures with tax impact

- Law to mitigate the consequences of the COVID-19 pandemic in civil, insolvency and criminal proceedings (COVID-19 Mitigation Act) came into force on 1 April 2020: In the area of civil law, the law introduced a moratorium on the fulfilment of contractual claims, which grants a deferral to those affected who are unable to provide their contractually owed obligations due to the COVID-19 pandemic.
- Subsequent adjustments of rental agreements and applying for rent moratoria, application for government aid programs (including European and international programs), refinancing and negotiating with banks.
- Deferral of VAT on deferred rental payments (“rent moratorium”).

Germany (3/4)

(Last updated: 13/05/2020)

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Recommended further tax relief measures for the RE industry

- Extension of use of loss carryforwards and the deduction of interest.
- Adjustment of land tax decree.
- Special depreciation for rental deferrals.
- Reintroduction of degressive depreciation.
- Postponement of DAC6 - notification obligations (proposal made by the European Commission: postponement of the relevant initial notification deadlines of (at least) 3 months)
- Facilitation of real estate transfer tax neutral restructuring.
- Temporary halving of VAT (The VAT rate is to be reduced from 19 % to 7 % for restaurant and catering services provided after 30.6.2020 and before 1.7.2021, see decree published by the Federal Ministry of Finance on 24 April 2020)
- No trade tax add back of rent and lease payments, especially for renting retailers

Further information

- https://blogs.pwc.de/german-tax-and-legal-news/files/2020/03/tax_legal_newsflash_COVID-19.pdf
- https://www.bundesfinanzministerium.de/Content/DE/Downloads/BMF_Schreiben/Weitere_Steuerthemen/Abgabenordnung/2020-03-19-steuerliche-massnahmen-zur-beruecksichtigung-der-auswirkungen-des-coronavirus.pdf?__blob=publicationFile&v=1
- https://www.bundesfinanzministerium.de/Content/DE/Standardartikel/Themen/Steuern/Steuerarten/Gewerbsteuer/2020-03-19-gewerbsteuerliche-massnahmen-zur-beruecksichtigung-der-auswirkungen-des-coronavirus-anlage.pdf?__blob=publicationFile&v=2

Germany (4/4)

(Last updated: 13/05/2020)

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- https://www.bundesfinanzministerium.de/Content/DE/Standardartikel/Themen/Steuern/2020-04-01-FAQ_Corona_Steuern.html?cms_pk_kw_d=06.04.2020_FAQ+Corona+Steuern+&cms_pk_campaign=Newsletter-06.04.2020
- <https://blogs.pwc.de/german-tax-and-legal-news/2020/05/08/government-releases-draft-corona-tax-assistance-bill/#more-3427>
- <https://pwcplus.de/de/article/220147/real-estate-blog-covid-19-impact-on-real-estate-woechentliche-pwc-expert-session-13.-mai-2020/?>

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Current tax measures

- Interest on late payments by small and medium enterprise (SME) businesses is suspended for January/February, March/April and May/June VAT periods and for the February, March, April, May and June PAYE (Employers) liabilities.
- Where, due to the virus, key personnel that compute tax returns are unavailable, Revenue advise that the relevant return is submitted on a 'best estimate' basis.
- The application of a surcharge for corporation tax returns for accounting periods ending 30 June 2019 onwards is suspended until further notice.
- Filing deadlines and notification periods are extended in respect of certain payroll obligations.
- Revenue confirmed that for accounting periods ended 30 September 2018 onwards, it is prepared to extend the 18-month period for distributions to be made in order to ensure no close company surcharge arises by a further 9 months.
- The Temporary COVID-19 Wage Subsidy Scheme operates as a refund to employers who will continue to pay employees normal take home pay, capped at €410 per week.
- All debt enforcement activity is suspended until further notice.
- Audit and compliance intervention activity on taxpayers' premises is suspended until further notice.
- Current tax clearance status will remain in place over the coming months.
- In determining corporate tax residence status - the presence of an individual in Ireland or another jurisdiction due to COVID-19 travel restrictions, will be disregarded by Revenue for a company in relation to which the individual is an employee, director, service provider or agent.

Ireland (2/3)

(Last updated: 13/05/2020)



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Current tax measures (cont'd)

- No Benefit in Kind (BIK) will apply to travel expenses and the provision of equipment to employees to facilitate home working during the COVID-19 period.
- Deduction date for Local Property Tax (LPT) extended to 21 May 2020 for property owners paying by direct debit
- Deduction date for stamp duty and credit cards extended to 1 July 2020.
- Banks, retail credit and credit servicing firms have introduced three-month payment breaks on mortgages, personal loans and business loans for those affected by COVID-19.
- Businesses, other than SMEs, who are experiencing temporary cash flow or trading difficulties are directed to contact the Collector-General's office or their branch contacts in Revenue's Large Corporates Division or Medium Enterprises Division.
- Businesses can apply for a Phased Payment Arrangement in respect of tax payments. This affords businesses considerable flexibility to self-manage their tax payment schedule in line with business needs or temporary cash flow challenges.
- Warehousing of Covid-19 related VAT and payroll tax debts, due from 1 March to the date when sectoral restrictions are lifted, for a period of 12 months is to be introduced. No interest will accrue on the tax debts during the 12 month period and a reduced rate of 3% will apply thereafter.

Real Estate

- Government publishes roadmap to ease COVID-19 restrictions and reopen Ireland's economy starting 18 May 2020 which includes a phased return for construction workers.

Ireland (3/3)

(Last updated: 13/05/2020)

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Real Estate (cont'd)

- The government announced a number of additional measures to help businesses restart:
 - A €2 billion Pandemic Stabilisation and Recovery Fund which will make capital available to medium and large enterprises.
 - A €2 billion COVID-19 Credit Guarantee Scheme to support lending to SMEs for terms ranging from 3 months to 6 years at below market interest rates
 - A €10,000 restart grant for micro and small businesses based on a rates/waver rebate from 2019
- COVID 19 2020 Act prevents the termination of residential tenancies and rent increases for an initial period of 3 months.
- Government will provide rent support for tenants struggling with rent payments due to COVID 19.
- Deferral of commercial rates payable to Local Authorities until end of June.

Further information

- <https://www.pwc.ie/issues/COVID-19.html>
- <https://www.pwc.ie/issues/covid-19/online-guide-government-support-for-smes.html>
- <https://www.pwc.ie/issues/COVID-19/tax-trade-support-for-irish-business.html>
- <https://www.pwc.ie/issues/COVID-19/asset-management-emerging-stronger-uncertain-times.html>

Concerning VAT

- <https://globalvatonline.pwc.com/COVID-19-summary>

Webcast series

- <https://www.pwc.ie/issues/covid-19/webcasts.html>

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Current tax measures

- Postponement of tax fulfillments (other than payments) for which ordinary deadline expires between March 8 and May 31, 2020.
- Extension of terms for the adoption of the financial statements and balance sheets for the financial year 2019. Provided regular going concern prospect before the emergency, financial statements can be drafted and approved on a going concern basis.
- Tax credit of 50% of expenses to sanitize work premises and acquire protective dotation and safety devices (up to 20k eur).
- Suspension from March 8 to May 31, 2020, of terms for the tax offices' activities concerning tax rulings, tax audits (except for automatic electronic controls), tax assessments, settlements and disputes; for the payments entrusted to the collection agents.
- Suspension, from March 9 to May 11, 2020, of deadlines to file appeals before tax courts and make related temporary payments.
- Postponement to June 30, 2020 of tax and social contribution payments concerning March and April 2020 for all taxpayers which incur, in each month, material turnover reduction with respect to same month of 2019 (minus 1/3 for taxpayers with 2019 turnover of 50M eur – 1/2 for those exceeded this threshold).
- For subjects heavily affected by the emergency and consequent restrictions (as expressly identified) and small taxpayers, all tax and social contribution payments due between March 16 and May 31 are postponed to May 31, 2020, regardless any measurement. For all taxpayers, the deadline of March 16 is postponed to April 16, 2020.
- For income tax accounts for tax year 2020, if made on provisional method, not application of penalties if underestimations do not exceed 20% of the actual income tax liability.
- Conversion of Deferred Tax Assets (DTA) on tax losses and NID into tax credit in case of transfer, by December 31, 2020, of receivables due by defaulting debtors (subject to limits).

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Current tax measures (cont'd)

- To support liquidity of companies and enterprises directly affected by the emergency, facilitation of (new) bank financings, up to December 31, 2020, through guarantees to banks by special institutions. The maximum financing and its guaranteed portion vary on the beneficiary's business, size (employees and turnover) and liquidity-solvency position. The new loan shall be allocated to support personnel costs, operative investments or working capital.
- Extension of timeframe for homologation or execution of compositions with creditors and restructuring agreements, to preserve attempts undertaken before the emergency to overcome corporate crises.

Real Estate

- Tax credit of 60% of rents paid in March 2020 for the lease of retail shops (registered in cadastral category "C/1") for execution of retail activities directly affected by lockdown limitations (not applicable to business concern leases, typical of the large distribution).
- Disapplication of Civil Code provisions which impose to limited companies to undertake remediations to face accounting losses, for losses incurred in financial year ending by December 31, 2020.
- Suspension of subordination to all other debts, set for by Civil Code, for shareholders' loans by companies who exercise management and coordination, granted from April 9 to December 31, 2020.

Further information

- <https://globalvatonline.pwc.com/media/6278/cura-italia-decree-part-ii.pdf>
- <https://blog.pwc-tls.it/en/home-en/>
- <https://blog.pwc-tls.it/en/category/COVID-19-en/>

Concerning VAT

- <https://globalvatonline.pwc.com/COVID-19-summary>

Luxembourg (1/2)

(Last updated: 13/05/2020)



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Current tax measures

- Deadline for the filing of 2019 income tax returns is postponed up to 30 June 2020. With respect to the subscription tax, the authorities indicate that no fines will be imposed if the returned is not filed on time because of COVID-19 (i.e. deadline was normally fixed on 20 April 2020 for Q1 2020).
- Cancellation (or reduction) of the quarterly income tax (and corporate income tax) advances and municipal business tax for Q1 and Q2 2020 can be requested directly to the tax authorities.
- Taxpayers may request a 4-month deferral starting as from the due date of payment of income tax (and corporate income tax), municipal business tax and net wealth tax which were due as from 1 March 2020.
- A draft law envisages to (i) suspend deadlines for tax claims up to 30 June 2020 and (ii) extend the statute of limitation for direct tax which would expire on 31 December 2020 to 31 December 2021. The draft law also aims to preserve the privileges and guarantees of the State Treasury up to 31 December 2021
- While all social security contributions remain due, employers can benefit from some flexibility when it comes to managing their payments, without having to fear administrative sanctions. Suspensions will also enter into force as from 1st April 2020 (i.e. suspension of calculation of default interest for late payments, initiation of proceedings for forced collection of contributions, enforcement of constraints, fines for late declarations).
- No administrative fines for late filing of VAT returns until further notice; (those fines were system-generated as soon as the deadline elapsed and ranged between EUR 250 and 10,000). The tax authorities announced on 12 May 2020 that the administrative tolerance granted with respect to the filing of VAT tax returns is not anymore applicable. Taxpayers that did not file these tax returns during the outbreak are requested to proceed to this filing within a short timeframe. However, enforced recovery of tax claims remain suspended up to date.

Luxembourg (2/2)

(Last updated: 13/05/2020)



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Current tax measures (cont'd)

- Refunding all VAT balances under EUR 10,000.
- The tax authorities announced the possibility to request extension of payments for all individuals and legal entities subject to VAT and legal entities not subject to but identified to VAT which are facing financial difficulties in direct connection with COVID-19 crisis and request to benefit from tax measures announced by the Government in relation to COVID-19 crisis.

Real Estate

Other measures, which are not purely tax related but may be of relevance for RE industry, have been taken by Luxembourg, notably:

- An extension for 3 months is granted to a significant number of regulatory obligations (e.g. annual reports for funds, trusts, etc...). In addition, the deadline for filing annual accounts for the financial year 2019 is extended by 4 months and the surcharge for late filing of financial data is exceptionally suspended, until 30/11/2020 for filing delays of up to 4 months.
- Certain banks accepted to postpone the repayment of existing loans.
- Proposition from the Chamber of Commerce of a bank guarantee to enterprises that would need to contract a bank debt due to the impacts of COVID-19 (up to 50% of the loan and EUR 250,000); and
- Other financial aids could be granted to Luxembourg companies under certain conditions.

Further information

- <https://www.pwc.lu/en/about-us/coronavirus.html>
- <https://www.pwc.lu/en/newsletter/2020/COVID-19-support-for-luxembourg-taxpayers.html>

Concerning VAT

- <https://globalvatonline.pwc.com/COVID-19-summary>

Netherlands (1/3)

(Last updated: 13/05/2020)



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Current tax measures

- Immediate deferral of payment of tax upon request up to three months. For deferment requests of longer than three months, additional information is required for the assessment of whether the financial problems were mainly caused by the corona crisis. A statement from a third expert may also be required. This information and possibly a declaration can be sent at a later stage.
- Adjustment of preliminary tax assessments resulting in a refund or less CIT payable.
- Tax interest will be decreased to 0,01% for the period June to September 2020 (instead of 4%, or in some cases even 8%).
- Municipalities may decide to provide deferral of payment for (preliminary) tourist tax assessments to support entrepreneurs offering overnight stays (hotels and other leisure businesses).
- An additional measure has been taken for suppliers which use a G-Account ("Dutch: Geblokkeerde Rekening"). A G-Account is a blocked account that an entrepreneur can use solely to make payroll taxes and VAT payments to the tax authorities. It is now possible to release the G Account up to the amount for which special deferral of payment has been granted. This gives these entrepreneurs the same possibilities as entrepreneurs without a G Account (i.e. the free disposal of tax paid to them by their customers).
- If 2020 becomes a loss year, while 2019 was a profitable year, it is possible to set off this loss against the profits from 2019, insofar as the losses do not exceed the profits. This would generate a tax refund. Insofar as the losses exceed the profits of the previous financial year, the losses can still be set off against the profits of the six subsequent financial years.
- This 'carry back of tax losses' is effectuated when filing the corporate income tax return for 2020. Because the tax returns for 2020 will only be submitted in 2021 or later and as the government considers it undesirable for companies to have to wait so long to set off their losses, the government allows a 'tax corona reserve'.

Netherlands (2/3)

(Last updated: 13/05/2020)



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- It is possible to set off the losses, which are expected to suffer in 2020 directly as a result of the corona crisis, as a corona tax reserve against the profit for 2019. This corona tax reserve may not exceed the taxable profit for 2019. The tax result for 2019 therefore cannot become negative as a result of this reserve. The corona tax reserve may not exceed the total expected loss for 2020.
- If the facilities of the corporate merger, the legal merger and the demerger are used with retroactive effect to the beginning of the financial year, then the condition applies that certain legal acts must have been performed within twelve months - and in the case of a corporate merger within fifteen months - up to the moment that the facility has retroactive effect. Due to the coronacrisis, this deadline may not be met if it expires in the period from 1 March 2020 up to and including 31 May 2020.
- Therefore, the government approves that the inspector extends the twelve-month period for the legal merger and demerger and the fifteen-month period for the corporate merger by three months if the deadline expires in the period from 1 March 2020 to 31 May 2020. This part of the decision shall have retroactive effect until 12 March 2020.

Real Estate

Eviction and expiring lease

- Emergency measurements are announced with respect to evictions of persons as a result of the COVID-19 crisis, extension of temporary lease contracts that are nearing the notice period and landlords that operate vacancy management of assets that are inhabited.
- The emergency measurement may apply to lease contracts to persons that end between April 1, 2020 and June 30, 2020. Lease contracts can be extended once with a maximum of three months and until 1 September 2020 at the latest.

Netherlands (3/3)

(Last updated: 13/05/2020)



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- Tenants are given the opportunity to request a temporary extension from their landlord. If the landlord already had agreements before 1 April, for example to sell, demolish or renovate the house, the landlord does not have to extend the contract.

Tenant relief

Some arrangements have been made after negotiations between sector organizations and retailers, but these are only applicable between those parties. These measures include:

- quarterly rents are converted into monthly rents;
- if necessary, retailers will be allowed postponement of payment from 1 April 2020 until 20 April 2020;
- rental invoices will not be collected until 20 April 2020;
- no fines or interests will be charged in case of postponement of payments; and
- retailers do not have to comply with the obligation to operate.

Retailers without a substantial drop in turnover (at least 25%) are not entitled to these measures.

Further Information

- <https://www.government.nl/topics/coronavirus-COVID-19>
- <https://www.pwc.nl/en/topics/COVID-19/state-aid-and-public-finance.html>
- <https://www.belastingdienst.nl/wps/wcm/connect/bldcontentnl/berichten/nieuws/uitstel-betaling-gevolgen-coronavirus>
- <https://www.woningmarktbeleid.nl/onderwerpen/corona-covid-19-en-de-woningmarkt/nieuws/2020/04/24/verlenging-tijdelijke-huurovereenkomsten-mogelijk>

Concerning VAT

- <https://globalvatonline.pwc.com/COVID-19-summary>

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Current tax measures

- The deadline for submitting a tax return for corporate income tax is postponed from 31 May to 31 August.
- By fulfilling specific conditions, it is possible for companies to re-allocate a deficit in 2020 against taxed profits the previous two years. A limit of NOK 30 million has been set for the reallocation of the deficit for 2020.
- The payment of advance tax for companies for the second term was initially due April 14, but the deadline is now extended to September 1 2020.
- Payroll tax was initially due May 15, but has been postponed until August 17.
- The Government has proposed to reduce the employer's contribution by 4 percentage points from 14.1% to 10.1% for the for the third term (April - May 2020) which originally expires on July 15 2020.
- Financial activity tax (2. term) was initially due May 15, but has been proposed postponed until August 17.

Real estate

Tax measures

- There has not been taken any specific tax measures in connection with the Real Estate industry, but there are general measures for industry and commerce that may also be applicable for the Real Estate Industry (however, in the city of Oslo it is possible to apply for a three-month deferment from paying property taxes. Late payment interest is reduced from 9.5% to 3%).
- One such measure is The Norwegian governments rescue package totaling NOK 100 billion to help companies in crisis. This package consists of two separate measures:
 1. The creation of a government loan guarantee with a limit of NOK 50 billion, aimed at new bank loans to small and medium-sized enterprises in need of external financing.

Norway (2/3)

(Last updated: 13/05/2020)

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Tax measures (cont'd)

2. Reintroduction of the Government Bond Fund with a limit of up to NOK 50 billion, with the intention of providing increased liquidity and capital access in the bond market.

Cash compensation for businesses

On March 27, the government first made a proposal to establish a cash support scheme for vulnerable companies. On April 17 the government presented regulations for a temporary grant scheme for companies with a large loss in turnover caused by the corona crisis. The compensation is determined on the basis of the fixed costs of a legal entity. The scheme is valid for March, April and May 2020.

Please note that SPV's cannot apply separately as they normally do not have employees. However, it is possible for the group to submit a single application with consolidated accounts, including the decline in revenue for the SPV.

In order to apply for compensation, businesses shall as a starting point, have experienced a decline in turnover of 30 % (20 % in March), compared to the same period last year (with a few adjustments for January and February 2019 and 2020).

Compensation of up to NOK 30 million will be paid in full. Compensation beyond NOK 30 million will be reduced by 50%. The maximum grant per month is 80 million for an enterprise. Special rules have been introduced for groups.

Recommended further tax relief measures for Real Estate Industry

- There are as of today no pending recommendations regarding tax relief measures specifically for the Real Estate Industry.

Norway (3/3)

(Last updated: 13/05/2020)



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Further information on Tax / Economic measures for RE Industry

- The Ministry of Finance has decided to increase the flexibility ratio in the mortgage loan regulations by 10 percentage points, from 10% to 20%. This gives the banks a flexibility to reduce customers' amortizations. At the same time the base rate, and therefore the interest rates, has also been lowered. These two measures both separately and combined enables house owners in financial distress to avoid default, limiting the extent of residential units sold in distress.

Further information

PwC Global report on centralised tax measures in response to COVID-19:

- <https://www.pwc.com/gx/en/services/tax/navigate-the-tax-measures-in-response-to-COVID-19.html?c1=norway>
- <https://blogg.pwc.no/skattebloggen-en>

Concerning VAT

- <https://globalvatonline.pwc.com/COVID-19-summary>
- <https://blogg.pwc.no/skattebloggen-en>

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Current tax measures (selection)

General

- Possibility of **retroactive settlement of tax loss incurred in 2020** and utilization thereof against taxable income generated in 2019 (up to certain limits and under certain conditions - including i.a. the respective decrease of taxable revenues).
- **Exemption from obligation to increase taxpayer's taxable income** while calculating CIT monthly advance payments by the amount of tax deductible costs resulting from the **expenses** which are **not paid within 90 days** from the lapse of the payment deadline (such obligation was introduced as of 2020; the exemption applies under certain conditions).
- Possibility to **opt out from simplified CIT advances** and calculate CIT advances based on the actual, current results (for small taxpayers only, under certain conditions).
- Possibility of **decreasing the CIT base by the donations** made to specific entities for the purpose of prevention of COVID-19 (under certain conditions).
- Possibility to **maintain the status of CIT tax group** in 2020 even if certain conditions are not met due to the COVID-19 situation.

Deadlines / procedure / dates of entry into force etc.

- **Shifting / extension of the deadlines** e.g. for (i.) filing CIT-8 for 2019 (annual tax return) and payment of annual CIT liability resulting therefrom; (ii.) submission of information on transfer prices for 2019 (only for the taxpayers whose tax year 2019 was shorter than the standard one); (iii.) filing certain reporting forms relating to withholding tax (IFT-2R) / contracts with non-residents (ORD-U); (iv.) reporting to the tax authorities of the payments made to the bank accounts not listed on the so-called 'white list' (in order to avoid adverse tax implications - in CIT and VAT); (v.) obligations under Mandatory Disclosure Rules (including reporting the tax schemes); (vi.) certain accounting obligations (including preparation and approval of the annual financial statements).

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- Possibility of **resigning from interest on late payment** (only if the Minister of Finance issues an ordinance in this respect).
- **No extension fees** should be charged from the taxpayers in connection with the **application for deferral / split into instalments of their on-going payments of taxes constituting state revenues** - e.g. monthly VAT payments (this does not relate to payments of taxes constituting municipal revenues - e.g. Real Estate Tax).
- **Extension of the deadline for issuance** of individual tax **rulings**.
- **Planned restoration of the deadlines in certain litigations / proceedings** (including court proceedings; tax controls; fiscal criminal proceedings etc.) that were previously suspended or have not started due to COVID-19 measures. Draft law not yet in force (status to be monitored).
- **Shifting the date of implementation of new VAT standard audit file** integrating the VAT return (JPK_VDEK) for large enterprises.

Real Estate

- **Deadline to pay 'minimum tax'** (i.e. tax on commercial buildings meeting certain conditions) for the period from March to May 2020 may be extended until 20 July 2020 (subject to certain conditions, including decrease in taxable revenue for the respective months).
- **Possibility** for the municipalities to introduce **Real Estate Tax reliefs** (exemptions / payment deferrals) with respect to properties relating to conducting business activity (discretionary decisions in this respect will be made by each municipality).
- **Postponement** of the application of the **Retail Sales Tax** (specific form of taxation of sales in large area malls).

Poland (3/3)

(Last updated: 12/05/2020)



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- **Temporary suspension of the parties' obligations under the lease agreements for premises in large area shopping centers** where the activity of the tenants cannot be performed due to current **bans** -> potential impact on the recognition of taxable revenue and VAT obligations of the landlord in connection with the leases to be considered. In this respect, please note that - generally - **shopping centers re-opened on May 4, 2020**. However, **some activities in shopping centers are still banned**. In this case, the above provisions may still apply.

Other

- Introduction of certain programmes aimed at supporting the entrepreneurs and mitigate the impact of the COVID-19 pandemic (i.e. liquidity financing, preferential investment financing etc.).

Further information

- <https://www.pwc.com/gx/en/services/tax/navigate-the-tax-measures-in-response-to-COVID-19.html?c1=poland>

Concerning VAT

- <https://globalvatonline.pwc.com/COVID-19-summary>

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Current tax measures

- Regarding certain tax procedures, deadlines that would have started to run before March 18, 2020, are extended to May 30, 2020. Deadlines which started from March 18, 2020 are automatically extended until May 30, 2020 unless the period granted by the general rule is longer. This measure does not affect tax debts resulting from tax returns and self-assessments.
- However, deadlines for submitting and paying certain tax returns and self-assessments due from April 15, 2020 are extended to May 20, 2020 (please note that if the payment chosen by the debtor has been direct debit, the deadline for submitting the self-assessment will be extended until 15 May 2020), for taxpayers with a turnover in 2019 which does not exceed EUR 600,000. This measure shall not apply to CIT and VAT groups.
- No enforcement of guarantees on real estate will take place until 30 May 2020.
- Deeds formalizing contractual novation of loans and mortgages, shall be exempt from the Stamp Duty quota for notarial documents as a consequence of the economic impact of COVID-19.
- The period between 18 March and 30 May is not computed for the purpose of the maximum duration of the procedures of the application of taxes, tax penalties and tax appeal procedures according to the law. It shall not count for the purposes of the deadlines or the statute of limitation periods during which the Spanish Tax Authorities has the right to determine the tax liability and to demand payment of assessed and self-assessed tax liabilities, nor of the rights to request and obtain refunds under the regulations of each tax, refunds of unduly paid taxes and reimbursement of the cost of guarantees.
- Deferral of tax payments for a period of 6 months, upon request, without interest during the first 3 months; Conditions:

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Current tax measures (cont'd):

- the debtor is a person or entity with a turnover not exceeding EUR 6,010,121.04 in 2019 and the debts correspond to tax returns and self-assessments for which the deadline for submission and payment is from March 13, 2020 to May 30, 2020, both included, provided that the applications are submitted up to that date for a total amount of less than EUR 30,000. Such deferral may also be requested in relation to declarations relating to withholding taxes, VAT and CIT payments on account which, under general rules, are not subject to deferral.
- Taxpayers whose turnover has not exceeded EUR 600,000 in 2019 and whose fiscal year began from 1 January 2020 onwards, may opt to calculate the CIT payments on account, on the proportional taxable base of the fiscal year 2020 as opposed to based on the previous fiscal year's tax quota. The option should be made when filing the 1st CIT payment on account, within the legal extended deadline (i.e. until 20 May 2020). For taxpayers who have not been able to elect for that option in such CIT first payment and their previous-year turnover did not exceed EUR 6,000,000, they may use the "base method" on the 2nd and 3th payment on account 2020 opting to apply this method when they will file Form 202 in October. This measure is not applicable for CIT Groups.
- Under certain requirements, the enforcement period for certain tax debts after the end of the voluntary payment period will not start provided that the taxpayer has received bank financing to mitigate the economic effects of the COVID-19 and this debt is guaranteed by the Spanish State in accordance with the Royal Decree-Law 8/2020.

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Real Estate

On the other hand, certain municipalities have implemented specific measures for local taxes. We have highlighted the following measures:

- Town Council of Madrid has introduced a 25% rebate on real estate tax quota corresponding to FY20 for buildings destined for leisure, hotel and restaurant uses, subject to the condition of maintaining the average number of employees during such FY. Taxpayers should apply for such rebate before 15 June 2020.
- Several municipalities such as Barcelona, Valencia, and Bilbao have extended the voluntary payments of certain local taxes including real estate tax.

Similarly, several autonomous regions among others Madrid, Cataluña and Aragón have extended the regular deadlines regarding regional taxes (e.g. real estate transfer tax, stamp duty tax, inheritance tax).

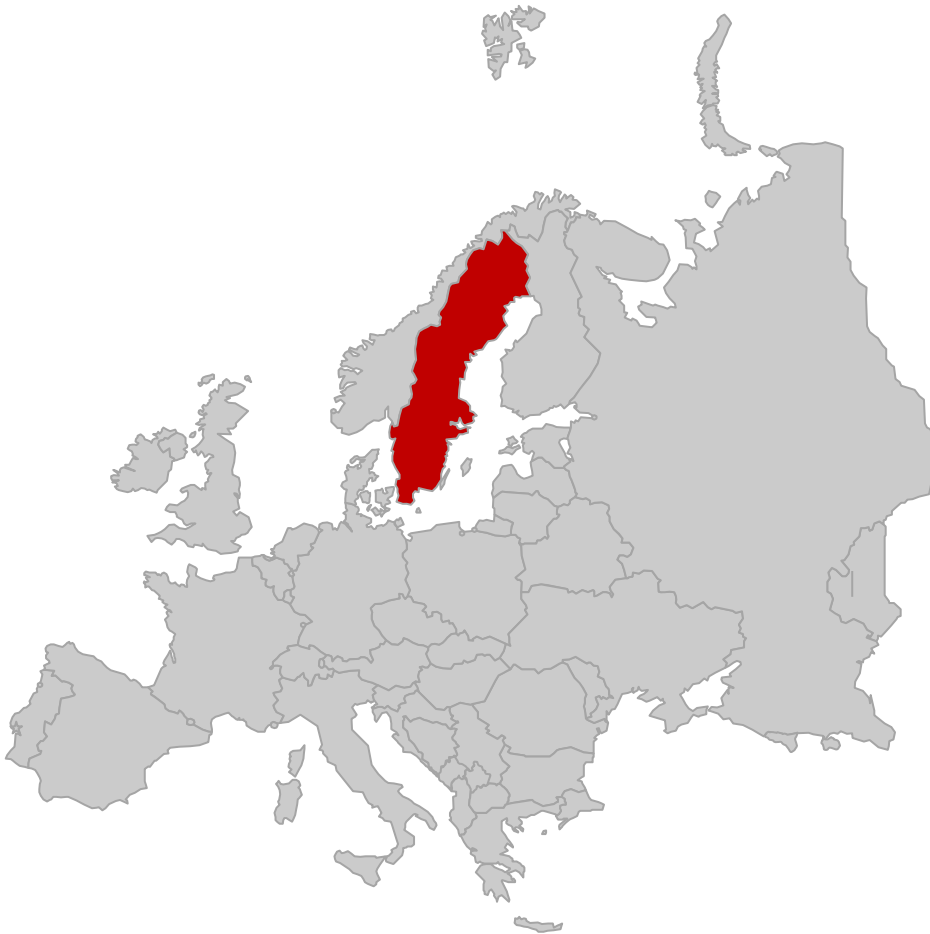
Further information

- https://www.agenciatributaria.es/AEAT.internet/Inicio/_componentes/_Le_interesa_conocer/
- <https://shapp.es.ema.pwcinternal.com/sites/Portal/Pages/Pagina.aspx?idP=321>

Concerning VAT

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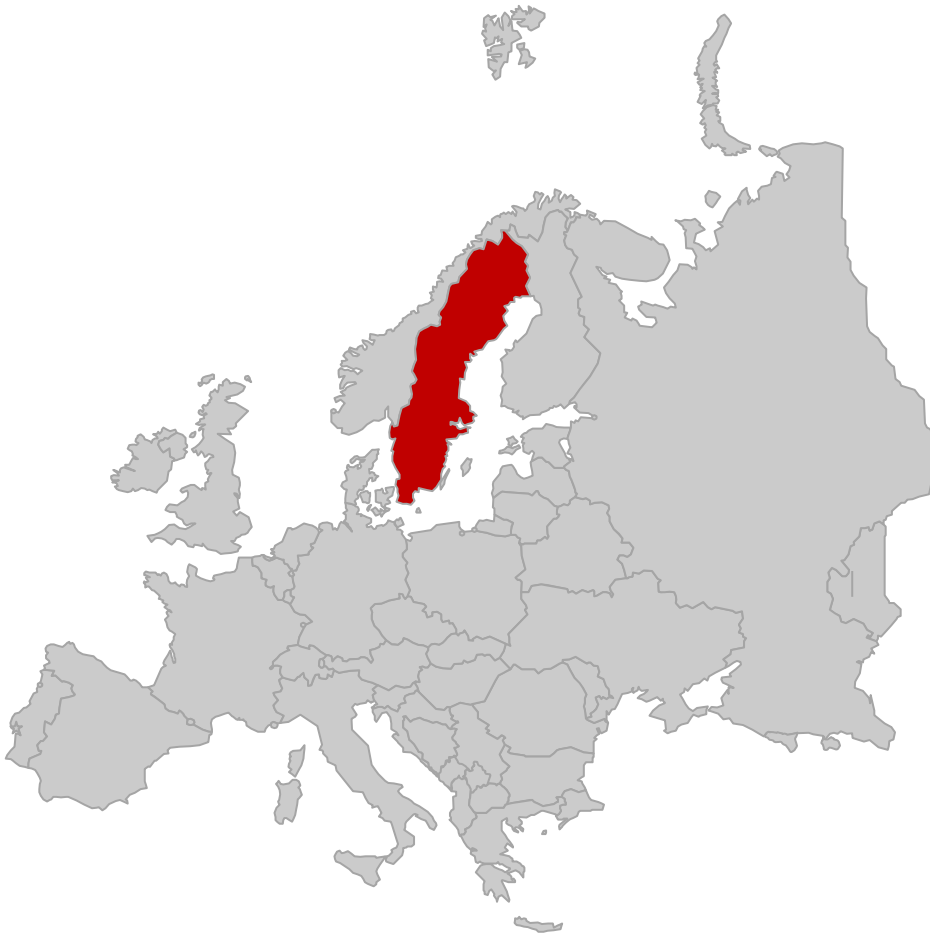
Current tax measures

- Companies can defer payment on employer's social security contributions, preliminary tax on salaries and VAT that are reported monthly or quarterly. The payment respite covers tax payments for 3 months and is granted for up to 12 months. The rules came into force March 30, 2020, but are applied retroactively from January 1, 2020. That the rules are applied retroactively from January 1, 2020, implies that companies that have paid the above taxes to their tax account from January 1, 2020 to March, 2020 are eligible to have that tax refunded from the Swedish Tax Agency.
- The taxes deferred must, however, be repaid including interest, by the taxpayer within 12 months. It should be noted that the refund can cover a maximum of 3 months paid taxes, as the government already announced they have acted on the size of the initially determined rates. According to new decision, interest of 1.25% is charged for the first six months and a deferral fee of 0.2% is charged per commenced calendar month. Please note that the interest is non deductible, i.e. the interest for a company that has a deferral is equivalent to a non deductible interest of up to 3.1% yearly.
- Deference will not be granted to companies that misperceive their finances or are otherwise rogue. Nor can deferrals be granted to companies that have larger tax liabilities.
- Businesses that declare their VAT annually may apply for deferral with payment of VAT that is to be declared during the period December 27, 2019 - January 17, 2021. The possibility of deferral applies for an accounting period, i.e. a tax year. Deferment can be granted for up to one year.
- Temporary reduction of employer's social security contributions from 31.42% to 10.21% for the period March 1, 2020 to June 30, 2020, so that only the old age pension contribution is paid.

Sweden (2/3)

(Last updated: 14/05/2020)

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Current tax measures (cont'd):

- A central government loan guarantee to make it easier for companies to access financing, i.e. the central government will guarantee 70% of new loans banks provide to companies that are experiencing financial difficulty due to the COVID-19 virus but that are otherwise robust.
- New system of support in the event of short-time work. This measure implies that the central government covers three quarters of the costs when staff working hours are reduced, compared with short-time work, where central government covers one third of the costs. Further, this measure means that employers' wage costs can be halved, while employees receive more than 90% of their wage. The aim is for affected companies to be able to retain their staff and rapidly gear up again when the situation improves.
- Extended possibility to offset profits to a tax allocation fund (Sw. periodiseringsfond). Self-employed persons may make allocations to a tax allocation fund with 100% of 2019 year's profit up to SEK1m, or 30% of the year's profit (according to current legislation). The profit is deferred and can be offset against losses in 2020 or in following years (must be returned to taxation by 2025 at the latest).

Real Estate

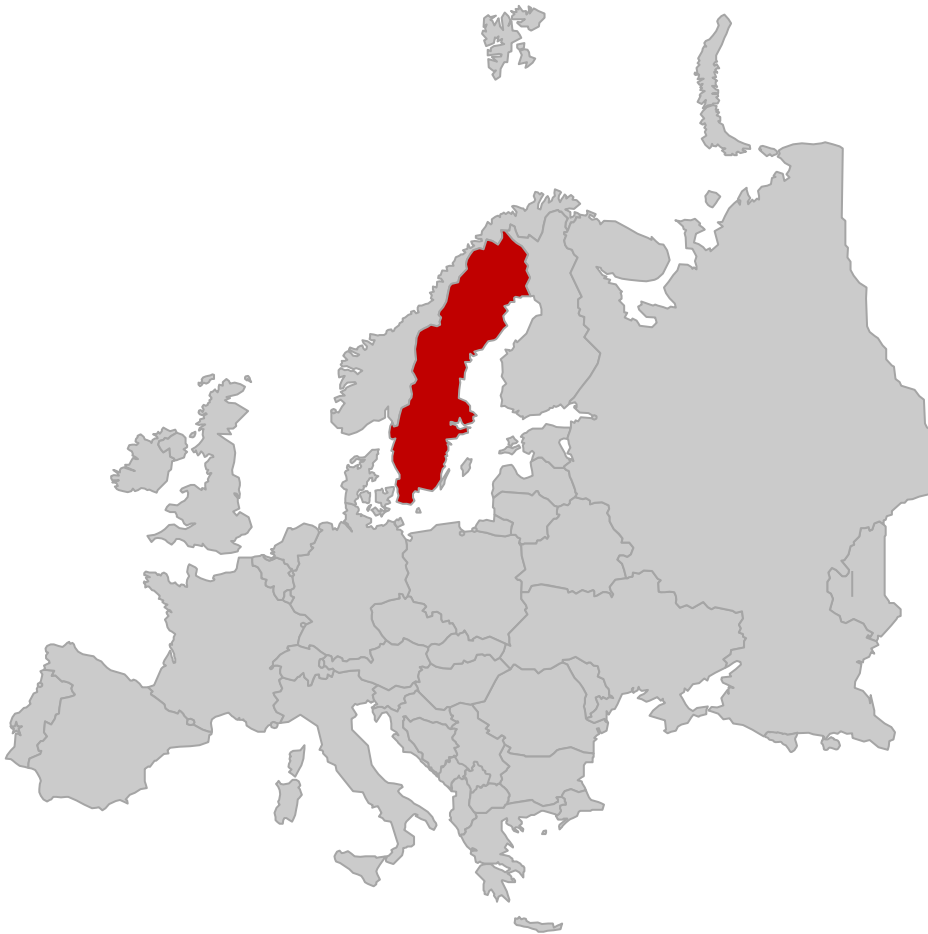
- In order to reduce costs for companies with considerable difficulties as a result of the COVID-19 virus (in sectors such as e.g. hotels and restaurants), the Government has decided to provide support that aims to facilitate and speed up renegotiation of rents. The support means that the landlord who lowered the fixed rent for tenants during the period April 1, 2020 to June 30, 2020 in these vulnerable sectors, will be able to seek support to compensate for part of the reduction.
- The compensation is given with a maximum of 50% of the reduced fixed rent, but a maximum of 25% of the original fixed rent.

Sweden (3/3)

(Last updated: 14/05/2020)



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Proposed measures

- The Swedish Government has proposed to introduce support to companies that have a substantial loss of turnover due to COVID-19. The size of the aid will vary depending on the loss of turnover but will be between 22.5 to 75% of the company's fixed expenses, excluding personnel costs, for these months. It will be a maximum aid of SEK150m per company. The aid requires that the company had a turnover of at least SEK250k during the previous financial year and a loss of turnover of at least 30% during March and April 2020. The Government's ambition is for the proposal to enter into force on July 1, 2020.

Further information

<https://blogg.pwc.se/taxmatters-en>

<https://www.pwc.se/COVID-19>

Concerning VAT

<https://globalvatonline.pwc.com/COVID-19-summary>

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Switzerland (1/2)

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Current tax measures

- At federal level, companies have been given the opportunity to extend the payment deadline for direct federal tax without incurring interest on arrears (the advance payment for direct federal tax in 2019 would be due on 31 March 2020). This means that from 1 March 2020 until 31 December 2020 the default interest rate for direct federal tax will be set at 0%.
- The same applies to Swiss value added tax, customs duties, special excise taxes and incentive taxes. No interest on arrears will be charged in the period from 20 March 2020 to 31 December 2020.
- Withholding tax and stamp duties, however, are excluded from this waiver of interest on arrears.
- At cantonal level, almost all of the 26 cantons have so far adopted various tax measures. These include:
 - interest-bearing tax deferrals or accommodating tax deferral requests or payment in instalments for companies and individuals (e.g. AG, BL, BS, BE, GE, SO, TI, ZH);
 - the postponement of the deadline for submitting tax returns for both companies and individuals (e.g. GE, NE, SG, SH, SO, VS, ZG, ZH);
 - the option to request an adjustment to the provisional tax statement of 2020 (e.g. AG, ZH, ZG); and
 - other measures depending on the canton and or municipality are in effect too.

Real Estate

- With the COVID-19 Decree on Rent and Lease dated 27 March 2020 (SR 221.213.4), the Federal Council ordered relief for all tenants and leaseholders in the event that they fall behind with the payment of rent.

Switzerland (2/2)

(Last updated: 13/05/2020)



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Real Estate (cont'd)

- The Federal Council has set up a task force to explore solutions, particularly with regard to the question of renting commercial properties that currently generate no or reduced income due to the Federal Council's corona measures. Whether and how a reduction in commercial rents due to forced closures is to be achieved is currently the subject of political debate.

Further information

- <https://www.pwc.ch/de/insights/COVID-19.html>
- <https://sites.google.com/ch.pwc.com/tlsknowledge/COVID-19>

Concerning VAT

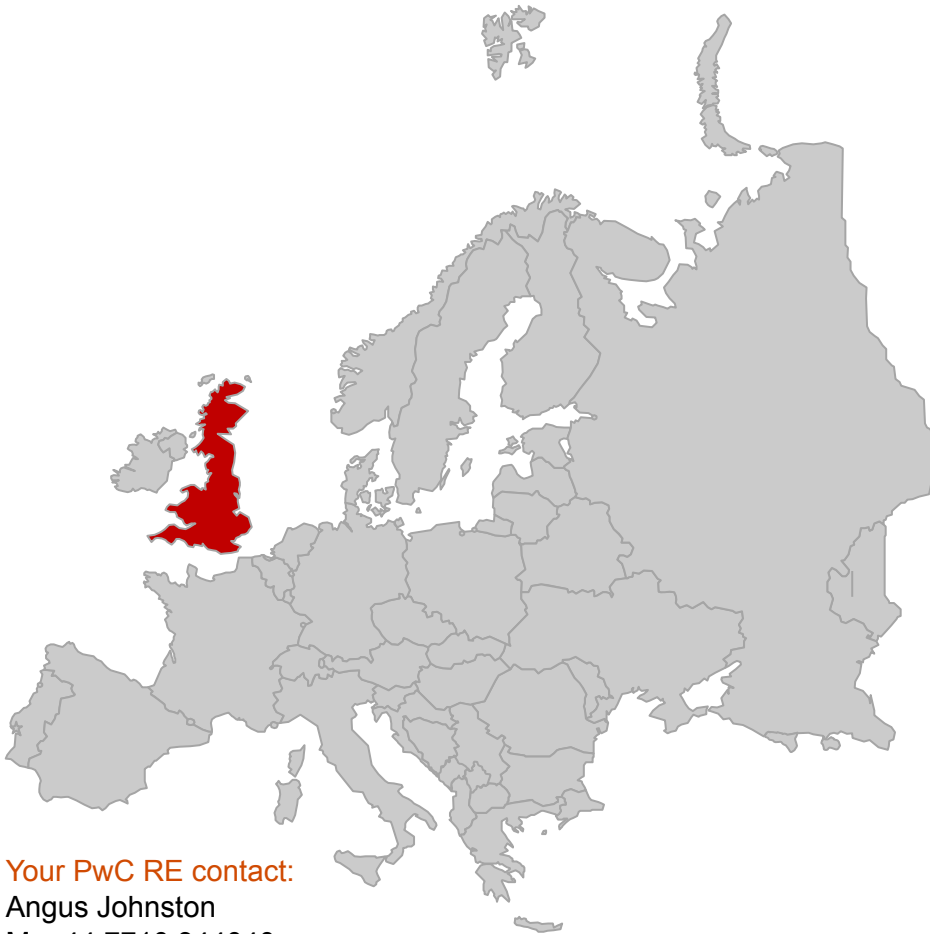
- <https://globalvatonline.pwc.com/COVID-19-summary>

United Kingdom (1/2)

(Last updated: 13/05/2020)



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Current tax measures

UK corporation tax

- The main rate of UK corporation tax is set to remain at 19% for now as opposed to falling to 17% as previously anticipated.

VAT

- UK VAT registered businesses (including non resident landlords) due to make a VAT payment between 20 March 2020 and 30 June 2020 have the option to defer VAT payments until on or before 31 March 2021.
- VAT returns should be filed on time as normal and no interest will be payable on the deferred VAT.

Stamp Duty on shares

- HMRC have relaxed their procedures for the payment of stamp duty on stock transfer forms. These should not be posted but instead copies should be emailed and payments made electronically.

Capital Allowances

- Relief under the Structures and Buildings Allowances (SBAs) has increased to 3% from 1 April 2020.

Corporate Residence

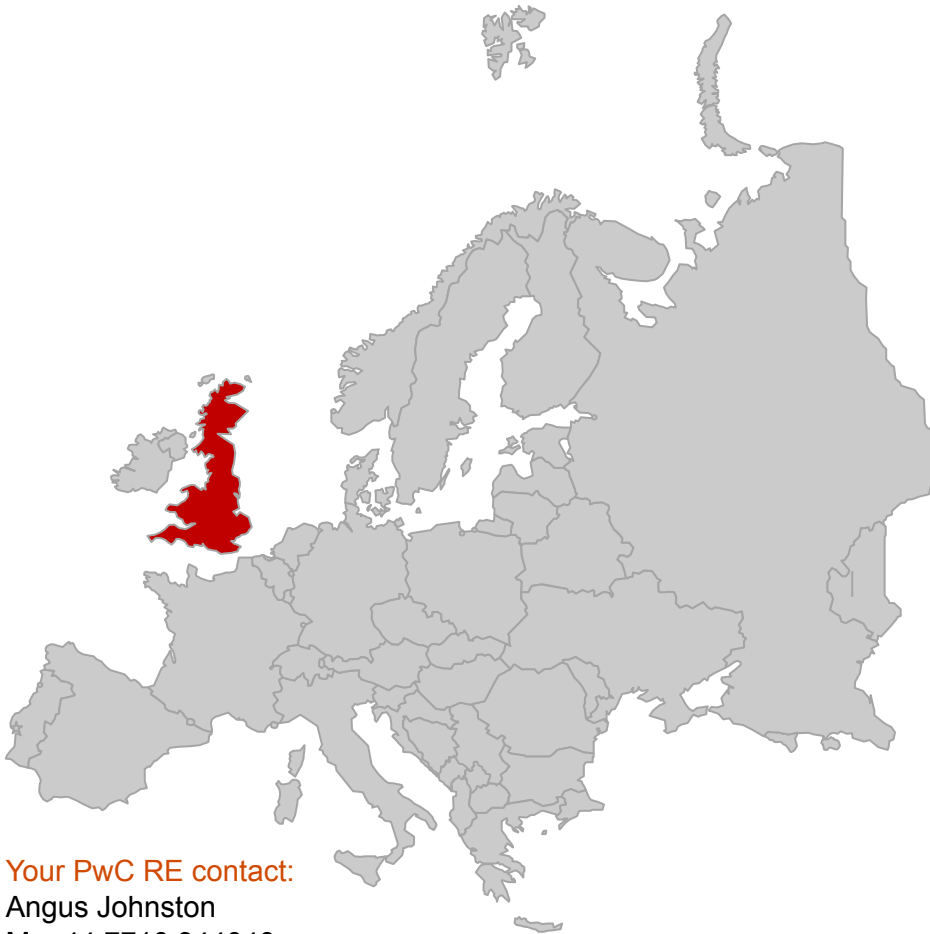
- HMRC have indicated that they consider that the existing legislation and guidance in relation to company residence and permanent establishments already provides flexibility to deal with changes in business activities necessitated by the response to the COVID-19 pandemic. The approach to these matters will therefore not change and no safe harbour will be offered for this period. Instead, HMRC emphasise that temporary arrangements resulting from the COVID-19 crisis are unlikely (on their own) to change the residence status of a company or give rise to PEs.

United Kingdom (2/2)

(Last updated: 13/05/2020)



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Other measures

- The Coronavirus Act will provide temporary relief for commercial tenants from eviction as a result of non-payment of rent. The measures will essentially restrict commercial landlords from evicting commercial tenants for non-payment of rent during an initial fixed period of approximately 3 months ending on 30 June 2020.
- For one year the business rates (property tax) discount for retail properties (cafe's, Bars etc) cinemas, and music venues will be increased to 100% for properties with a rateable value of less than £51,000. This 100% discount will now be expanded to include all hospitality and leisure businesses. A £5,000 business rates discount for pubs with a rateable value below £100,000 will apply in England for one year from 1 April 2020.
- The Bank of England will purchase commercial paper of up to 1-year maturity, issued by firms making a material contribution to the UK economy. The scheme will operate for a minimum 12 months (only firms that were in sound financial health prior to COVID-19 will be eligible). This is open to businesses with turnover of up to £500m.
- Businesses and self-employed individuals with outstanding tax liabilities may be able to defer payment of taxes under a "time to pay" scheme.
- A number of measures for employers including (in certain specified circumstances) but not limited to: accessing the Coronavirus Job Retention Scheme, carry forward of annual leave and reclaiming statutory sick pay for COVID-19 related absences.

Further information

- [PwC - responding to the UK business impact of COVID-19](#)
- [PwC - Global VAT online COVID-19 summary](#)



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This document gathers together information on matters of general guidance and provides a high-level overview of the nature and extent of measures local Tax authorities are taking in response to the COVID-19 pandemic as at the date set out herein. While best efforts from PwC Member Firms across the PwC Network have been used to compile this information, from reliable sources, matters are moving and evolving at a fast pace as governments respond

For professional advice and assistance, please contact your usual PwC contact or any of the PwC contacts mentioned in this publication.

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