




**COVID-19
Business
Relief Package**
COVID-19 v.6



05th May 2020

COVID-19:

Main Government Measures

A. STATE OF EMERGENCY

B. EXTRAORDINARY MEASURES TO PROTECT JOBS

- Simplified layoffs (furloughs)
- IEFP training grant
- Exceptional and temporary exemption from social security contributions
- Extraordinary financial incentive to ensure the normalisation of the activity

C. PAYMENT OF TAXES AND CONTRIBUTIONS MORE FLEXIBLE AND MEASURES TO SUPPORT THE ECONOMY

- Tax filing and payment deadlines extended
- Tax enforcement proceedings
- VAT and personal and corporate income tax withholdings
- Social security contributions

D. SELF-EMPLOYED PEOPLE / MANAGING PARTNERS

E. CREDIT LINES TO SUPPORT BUSINESSES

E. LOAN REPAYMENT HOLIDAYS

F. RENTAL PAYMENT HOLIDAY

G. MEASURES WITH IMPACT ON HUMAN RESOURCE MANAGEMENT

H. OTHER ASPECTS TO CONSIDER

I. HOW CAN CONCEITO HELP?



*This page contains
hyperlinks*

AMENDED 05.05.2020

COVID-19: De-escalation Plan

On 30th April 2020, the Resolution of the Council of Ministers No. 33-C/2020 presented the strategy to ease lockdown restrictions to combat the Covid-19 pandemic.

Type	Date	Measure	Conditions
General Guidelines	4 th May	Compulsory self-isolation of infected people or people under surveillance; Ongoing civic duty to stay at home; Events or gatherings of more than 10 people are banned; Maximum occupancy of 5 people/100 sq m in indoor spaces; Funerals: family only.	
	30 th / 31 st May	Religious services: community celebrations in accordance with the rules that will have to be agreed between the General-Directorate for Health (DGS) and the different faiths	
Public transport	4 th May	Limited to two thirds	Mandatory face masks / Hygiene and cleaning
Employment	4 th May	Employees will continue to work from home wherever possible	
	1 st June	Employees will partially work from home, with staggered start times or in staggered shifts	
Public Services	4 th May	Front desk services (tax offices, registry offices, etc.)	Mandatory face masks / Accessible by appointment only
	1 st June	Citizen's bureaus	

AMENDED 05.05.2020

COVID-19:

De-escalation Plan (cont.)

Type	Date	Measure	Conditions
Shops and Restaurants	4 th May	Local shops: high street shops with up to 200 sq m; hairdressers, beauticians and similar; bookshops and car dealerships, regardless of the floor area.	- Shops: Mandatory face masks / opened from 10 a.m. - Hairdressers and similar: By appointment only and in specific conditions - Restaurants: Restaurants can open at half occupancy until 11 p.m. and in specific conditions
	18 th May	High street shops with up to 400 sq m or parts of shops up to 400 sq m (or bigger where authorised by the municipality); Restaurants, cafés and bakeries / Street cafés	
	1 st June	High street shops over 400 sq m or shops in shopping centres	
Schools and Social Facilities	18 th May	11 th and 12 th grades or the 2 nd and 3 rd years of other training courses (10 a.m. - 5 p.m.); Facilities for people with disability Kindergartens (with the option of family support)	Schools: Mandatory: face masks (except children in day care and kindergartens)
	1 st June	Day care / Kindergartens / After school clubs	
Culture	4 th May	Libraries and archives	Reserved seats, reduced audience capacity, and social distancing
	18 th May	Museums, monuments and palaces, art galleries and similar	
	1 st June	Cinemas, theatres, auditoriums, concert halls	
Sports	4 th May	Individual outdoor sports activities	No access to swimming pools or shower rooms
	30 th / 31 st May	Football: Premiere League and Portuguese Cup	

Source: Presentation of the plan approved at the Council of Ministers on 30th April 2020

AMENDED 05.05.2020

COVID-19:

De-escalation Plan *(cont.)*

□ Decree-Law No. 20/2020 of 1st May 2020

Simplified Layoffs

Businesses that operate in activities where lockdown measures have been eased after the end of the state of emergency or to which the restrictions imposed by a legislative or administrative decision have been lifted will continue to be able to access the simplified layoff scheme pursuant to Decree-Law No. 10-G/2020 of 26th March provided that they resume their activity within eight days.

Extraordinary financial incentive to ensure the normalisation of the activity

The extraordinary financial incentive to support the normalisation of the company's activity provided for in Article 10(1) of Decree-Law No. 10-G/2020 of 26th March has been regulated by an ordinance of the member of the Government responsible for the area of employment, namely regarding procedures, conditions, and terms of access (see slide: [Extraordinary financial incentive to ensure the normalisation of the activity](#)).

The admission or renewal of an employment contract to fill a job vacancy that might be ensured by an employee in a situation of reduction or suspension will not be treated as non-compliance and imply the restitution of the extraordinary support for the maintenance of an employment contract in a company in a situation of business crisis, as provided for in Article 5 of Decree-Law No. 10-G/2020 of 26th March.

AMENDED 05.05.2020

COVID-19:

Simplified Layoffs

- ❑ Ordinance No. 71-A/2020 of 15th March 2020 and Ordinance No. 76-B/2020 of 18th March 2020 (REVOKED)
- ❑ Decree-Law No. 10-G/2020 of 26th March 2020

Extraordinary support for the maintenance of employment contracts in financially distressed companies.

TARGET

Companies in a business crisis as a result of:

- a) The total or partial shutdown of the company or establishment, arising from the duty to close facilities and establishments pursuant to Decree No. 2-A/2020 of 20th March, or by legislative or administrative determination, under the terms of Decree-Law No.10-A/2020 of 13th March in its current wording, or under the basic law governing civil protection approved by Law No. 27/2006 of 3rd July in its current wording, as well as the basic law governing health, approved by Law No. 95/2019 of 4th September, regarding the establishments or companies that have been shutdown and covering their staff; or
- b) By submitting a statement of the employer together with a certificate of the chartered accountant of the company attesting to:
 - i. the total or partial shutdown of the company or establishment resulting from the interruption of global supply chains, or the suspension or cancellation of orders; or
 - ii. an abrupt and sharp drop by at least 40% in turnover in the 30 days preceding the application to social security with reference to the monthly average of the preceding two months or to that same period last year; or, for companies that started operating less than 12 months ago, the average turnover in that period.

COVID-19:

Simplified Layoffs (cont.)

Decree-Law No. 10-G/2020 of 26th March 2020

Extraordinary support for the maintenance of employment contracts in financially distressed companies

Companies in a business crisis	Activities covered	Date of aid granting	Requirements
<p>1. Total or partial shutdown of the company or establishment pursuant to Decree No. 2-A/2020 (Article 3(1a) of Decree-Law No. 10-G/2020)</p>	<ul style="list-style-type: none">Article 7 of Decree No. 2-A/2020: activities - Schedule IArticles 8 and 9 of Decree No. 2-A/2020 and Articles 10 and 11 of Decree No. 2-B/2020 (only businesses open to the public):<ul style="list-style-type: none">Retail trade and services shut down due to the state of emergency that are not included in Schedule IIRestaurants and similar venues that albeit included in Schedule II have been suspendedRetailers that have remained open to provide only home deliveries and take away services at the door/service window, with limited activity that has implied the suspension or reduction of the normal working hours of 1 or more employeesRestaurants and similar venues that have remained active by their own decision exclusively providing products for consumption outside the premises, home deliveries or through an intermediary, with limited activity that has implied the suspension or reduction of the normal working hours of 1 or more employees	<p>As of 22nd March (inclusive), depending on the actual date of closure</p>	<ul style="list-style-type: none">Mandatory application using form RC 3056-DGSS+Providing evidence of the actual date of closure

COVID-19:

Simplified Layoffs (cont.)

Decree-Law No. 10-G/2020 of 26th March 2020

Extraordinary support for the maintenance of employment contracts in financially distressed companies

Companies in a business crisis	Activities covered	Date of aid granting	Requirements
2. Legislative or administrative determination under the terms of the basic law governing civil protection and/or the basic law governing health	<ul style="list-style-type: none">a) Any activity related to dentistry, oral medicine, and odontologyb) Those arising from the declaration of the state of calamity in the Municipality of Ovar	<ul style="list-style-type: none">a) As of 16th March for the duration of the state of emergency.b) As of 17th March for the duration of the state of calamity.	<ul style="list-style-type: none">▪ Mandatory application using form RC 3056-DGSS+▪ Providing evidence of the actual date of closure
3. Pursuant to Ordinance No. 71-A/2020	<ul style="list-style-type: none">▪ Total or partial shutdown of the company or establishment resulting from the interruption of global supply chains, or the suspension or cancellation of orders▪ Abrupt and sharp drop by at least 40% in turnover in the 60 days preceding the application when compared to the same period last year	As of 16th March (inclusive), depending on the actual date of closure	<ul style="list-style-type: none">▪ Mandatory application pursuant to Ordinance No. 71-A/2020 (lack of an appropriate form) +▪ Providing evidence of the actual date of closure

COVID-19:

Simplified Layoffs (cont.)

Decree-Law No. 10-G/2020 of 26th March 2020

Extraordinary support for the maintenance of employment contracts in financially distressed companies

Companies in a business crisis	Activities covered	Date of aid granting	Requirements
4. Total or partial shutdown of the company or establishment resulting from the interruption of global supply chains, or the suspension or cancellation of orders	Any activity	As of 27nd March (inclusive), depending on the actual date when the event occurred	<ul style="list-style-type: none">▪ Mandatory application using form RC 3056-DGSS+▪ Providing evidence of the actual date of closure
5. Abrupt and sharp drop by at least 40% in turnover in the 30 days preceding the application with reference to the monthly average of the preceding two months or to that same period last year	Any activity	As of 27nd March (inclusive), depending on the actual date when the event occurred	<ul style="list-style-type: none">▪ Mandatory application using form RC 3056-DGSS+▪ Providing evidence of the actual date of closure

COVID-19:

Simplified Layoffs (cont.)

□ Decree-Law No. 10-G/2020 of 26th March 2020

Extraordinary support for the maintenance of employment contracts in financially distressed companies.

REQUIREMENTS

- Tax and social security contributions paid;
- Obligation to inform the employees affected in writing stating the foreseeable duration of the interruption of the activity;
- Meeting with union representatives and works councils, if any;
- Employer's certificate;
- List of the names of the employees affected, including their social security number (NISS) (Excel file made available by Social Security);
- For the situations provided for in Article 3(1)(b) of Decree-Law No. 10-G/2020, the certificate of the chartered accountant attesting to the crisis situation.

N.B.: The foreseeable duration of the measure may exceptionally be extended on a monthly basis up to a maximum of 3 months.

REQUIREMENTS FOR POSSIBLE TAX INSPECTIONS

- Balance sheets for the month concerned and the same month last year;
- VAT return for the month concerned and the two previous months in the case of the monthly VAT scheme;
- VAT return for the last quarter of 2019 and the first quarter of 2020 for the quarterly VAT scheme; and
- Documents demonstrating the cancellation of orders or reservations or occupation in the month following the application for support; and
- Additional evidence yet to be defined.

COVID-19:

Simplified Layoffs (cont.)

Decree-Law No. 10-G/2020 of 26th March 2020

WHAT ARE THE CONDITIONS?

- This measure will take the form of a financial support, corresponding to 2/3 of the employee's gross pay with a lower limit of the national minimum wage (€ 635) and an upper limit of 3 times the national minimum wage (€ 1,905);
- 70% of which is covered by social security and 30% by the employer, with a duration of one month renewable every month up to a maximum of three months;
- If the employer chooses to reduce the normal working hours, the compensation is granted to the extent strictly necessary to ensure, together with the pay for work done within or outside the company, the minimum amount of 2/3 of the employee's usual gross pay, or the value of the national minimum wage corresponding to the normal working hours, whichever is higher.

SIMULATOR: <http://www.seg-social.pt/layoff-covid-19> 

Example			
Notional pay	Pay due to the employee (1)	Social Security support (2)	Employer's contribution (3)
€ 635.00	€ 635.00	€ 444.50	€ 190.50
€ 650.00	€ 635.00	€ 444.50	€ 190.50
€ 750.00	€ 635.00	€ 444.50	€ 190.50
€ 850.00	€ 635.00	€ 444.50	€ 190.50
€ 1,000.00	€ 666.67	€ 466.67	€ 200.00
€ 1,500.00	€ 1,000.00	€ 700.00	€ 300.00
€ 2,000.00	€ 1,333.33	€ 933.33	€ 400.00
€ 2,500.00	€ 1,666.67	€ 1,166.67	€ 500.00
€ 3,000.00	€ 1,905.00	€ 1,333.50	€ 571.50
€ 5,000.00	€ 1,905.00	€ 1,333.50	€ 571.50

(1) 2/3 of the employee's usual gross pay (minimum: 635.00 euros; maximum: 1,905.00 euros).

(2) 70% of 2/3 of the usual gross pay due to the employee, up to a limit of 1,333.5 euros.

(3) 30% of 2/3 of the usual gross pay due to the employee, up to a limit of 1,333.5 euros.

COVID-19:

Simplified Layoffs (*cont.*)

□ Decree-Law No. 10-G/2020 of 26th March 2020

CAN I COMBINE THIS WITH A TRAINING PLAN?

- This measure may be complemented by a training plan approved by the IEFP;
- In addition there is a training grant of € 131.64 per employee, 1/2 of which for the employee and 1/2 for the employer (€ 65.82 + € 65.82).
- The employer must submit the request on the IEFP, I.P. website together with evidence of the application for support sent to the ISS, I.P..

OTHER ISSUES:

May layoff happen without agreement from the employees?

The layoff applies even without agreement, and providing that information to the works council and/or the inter-union commission is mandatory. Additionally, this information must be accompanied by a statement from the employer and a statement from the chartered accountant attesting to the existence of the crisis situation.

Will the employees affected continue to earn their pay?

Employees shall earn at least 2/3 of their gross monthly pay up to a maximum of three times the national minimum wages, i.e., no one may earn less than the minimum wage (€ 635) or more than € 1,905 (gross amounts).

Who shall ensure payment?

Social Security ensures the payment corresponding to 70% of the remuneration, and the remaining amount shall be paid by the employer.

COVID-19:

Simplified Layoffs (*cont.*)

❑ Decree-Law No. 10-G/2020 of 26th March 2020

OTHER ISSUES:

Who shall ensure payment?

The remuneration is always paid by the company; Social Security does not transfer money to the employee, but to the company.

How are the 30 days counted?

The 30-day period is counted in calendar days and is not limited to full months. In the case of an application submitted on 27th March, the 30-day period runs from 26th February to 26th March.

How it is measured a 40% drop in turnover?

If the order is delivered on 30th March, the average turnover between 29th February and 29th March 2020, compared to the turnover average for the months of:

- January to February 2020; or
- 29th February to 29th March 2019.

How do you calculate the drop in the turnover of a company that has less than 12 months of existence?

If the application is made on 30th March 2020 and the company has been in business since 1st September 2019, you should compare the average turnover between 29th February and 29th March 2020 and then compare it to the monthly average turnover from 1st September 2019 to 28th February 2020.

COVID-19:

Simplified Layoffs *(cont.)*

□ Decree-Law No. 10-G/2020 of 26th March 2020

OTHER ISSUES:

May the employer temporarily reduce normal working hours or suspend employment contracts?

The employer may choose to temporarily reduce normal working hours or suspend employment contracts and may have in the same establishment some employees with reduced working hours while others have suspended employment contracts.

May the employer fire employees?

No, employers may not do that. During the periods in which they are receiving any aid or in the following 60 days, employers may not terminate employment contracts pursuant to collective dismissal or dismissal as the result of the dissolution of the job.

What are the elements that go into the calculation of the employee's pay?

The concept of 'notional pay' involves basic pay, seniority pay, and all the other regular and periodic benefits inherent in the provision of work, which are included in the payslip.

Are these amounts subject to social security contributions?

During the implementation of the support, the employer is exempted from paying social security contributions on the employer's part, while employees still have to pay their 11% contribution.

COVID-19:

IEFP Training Grant

- ❑ Ordinance No. 71-A/2020 of 15th March 2020 (**REVOKED**)
- ❑ Decree-Law No. 10-G/2020 of 26th March 2020

Creation of an extraordinary training plan

WHY?

Companies can access extraordinary support for part-time vocational training, in the form of a training plan, with a view to maintaining jobs and enhancing the skills of their employees in order to act preventively against unemployment.

WHAT ARE THE PROCEDURES?

The employer shall inform the employees in writing of the decision to start a training plan and the foreseeable duration of the measure, immediately sending that information to the IEFP, I.P., accompanied by a certificate from the employer and a certificate from the company's chartered accountant attesting to the existence of the crisis situation.

WHAT ARE THE CONDITIONS?

- The extraordinary support to be granted to each employee affected is paid by the IEFP, I.P., and granted according to the hours of training attended, up to a limit of 50% of the gross pay, with the upper limit of the national minimum wage;
- The duration of the training plans shall not exceed 50% of the normal working hours;
- The training plans last one month.

COVID-19:

Exceptional and Temporary Exemption from Social Security Contributions

- ❑ Ordinance No. 71-A/2020 of 15th March 2020 (**REVOKED**)
- ❑ Decree-Law No. 10-G/2020 of 26th March 2020

Temporary exemption from the payment of Social Security contributions by the employer

WHAT ARE THE CONDITIONS?

- Employers that benefit from the extraordinary support measures for the maintenance of jobs are entitled to total exemption from the payment of social security contributions payable by the employer regarding the employees affected and members of statutory bodies for the duration of these measures;
- The right to this exemption shall also apply to self-employed people who are employers benefiting from these measures and their spouses;
- This exemption refers to contributions related to remuneration for the months in which the company is the beneficiary of these measures.

WHAT ARE THE PROCEDURES?

- The employer shall submit the autonomous remuneration returns for the employees covered by the support;
- And shall pay the contributions (11%).

COVID-19:

Extraordinary financial incentive to ensure the normalisation of the activity

- ❑ Ordinance No. 71-A/2020 of 15th March 2020 (REVOKED)
- ❑ Decree-Law No. 10-G/2020 of 26th March 2020

Extraordinary financial incentive to ensure the normalisation of the company's activity

WHAT ARE THE CONDITIONS?

Employers in a situation of declared crisis may also be entitled to an extraordinary financial incentive to support the resumption of their business activity, to be granted by the IEFP, I. P., paid in one lump sum and in the the amount of one national minimum wage per worker.

WHAT ARE THE PROCEDURES?

- Submission of an application to the IEFP;
- Statement from the employer and the chartered accountant proving the company's crisis situation;
- List of the names of the employees affected, including their social security number (NISS).

HOW TO APPLY?

The request is made by electronic submission on the IEFP portal, by submitting an application and filling out the form accompanied by the following documents:

- Tax and social security contributions paid certification;
- Copy of the remuneration statements submitted to the social security in the month prior to the application, with the entity's workers to be covered by the Incentive;
- Proof of IBAN;
- Copy of the Employer's certificate and the certificate of the chartered accountant of the company.

AMENDED 05.05.2020

COVID-19:

Tax Filing and Payment Deadlines Extended

☐ Order No. 104/2020 of 9th March 2020

Extension of the deadline for voluntary compliance with tax obligations with no additional fees or penalties:

1. The full amount of the special payment on account for the 2020 tax period or its first instalment may be paid by **30th June 2020**;
2. The first advance payment and the first additional advance payment for the 2020 tax period may be paid by **31st August 2020**.

☐ Dispatch No. 153/2020-XXII of the Secretary of State for Tax Affairs of 24th de April de 2020

1. Procedures for simplifying the submission of periodic VAT returns

The periodic VAT returns to be delivered within the legal period for the period **March 2020**, of the monthly regime, and the period **January to March 2020**, of the quarterly regime, can be calculated based on the data contained in the E-Invoice, not requiring supporting documentation. However, these situations must be rectified by submitting a substitutive return.

The replacement of these returns, based on the totality of the supporting documentation, will not result in any additional or penalties as long as this replacement and the respective payment / settlement occurs during the month of August 2020.

AMENDED 05.05.2020

COVID-19:

Tax Filing and Payment Deadlines Extended (*cont.*)

□ Dispatch No. 153/2020-XXII of the Secretary of State for Tax Affairs of 24th de April de 2020 (Cont.)

1. Procedures for simplifying the submission of periodic VAT returns (*cont.*)

This possibility applies only to taxable persons who are in the following situations:

- a) Have had a turnover, for VAT purposes, in 2019 up to € 10,000,000;
- b) Have started their activity on or after January 2020;
- c) Have re-started its activity on or after January 1, 2020 and have not achieved turnover in 2019.

2. Postponement of the period for submitting periodic VAT returns

- Periodic VAT returns to be delivered within the legal deadline for the period of March and April of the monthly regime, can be submitted **until May 18 and June 18**, respectively.
- The periodic VAT return of the quarterly regime for the first quarter of 2020 can be submitted **until May 22**.
- The delivery of the chargeable tax resulting from these periodic VAT returns must be made **until the 25th of each month**, without prejudice of option for the payment in instalments.

3. Postponement of the deadline for the delivery of CIT and PIT withholding taxes

The delivery of withholding taxes relating to the months of **April and May 2020** can be made **until May 25 and June 25**, respectively.

AMENDED 05.05.2020

COVID-19:

Tax Filing and Payment Deadlines Extended (*cont.*)

❑ Dispatch No. 153/2020-XXII of the Secretary of State for Tax Affairs of 24th de April de 2020 (Cont.)

4. Postponement of the deadline for the delivery of the stamp tax

The delivery of the stamp tax relating to the months of April and May 2020, can be made **until May 25 and June 25**, respectively.

5. Postponement of the deadline for complying with obligations under CIT

The IES / DA delivery obligation may be fulfilled **until August 7, 2020**, without any penalties.

6. Extension of the Deadline for the Preparation and/or Submission of the Transfer Pricing Documentation

The deadline associated with the documentation process regarding the transfer pricing policy adopted occurs after the submission of Modelo 22, has been extended for **August 31, 2020**, without any penalties.

AMENDED 05.05.2020

COVID-19:

Tax Filing and Payment Deadlines Extended (*cont.*)

❑ Decree-Law No. 10-A/2020 of 13th March 2020

- **Approval of Accounts**

General meetings of companies, associations or cooperatives that are required to take place by legal or statutory requirements may be held until **30th June 2020**.

- **Single Report (RU)**

The submission of the SINGLE REPORT (RU) for 2019 will **take place from 16th March 2020 but its deadline shall be extended** and the Ministry of Labour, Solidarity and Social Security will set a new date in due course.

❑ Decree-Law No. 10-F/2020 of 26th March 2020

- **Tax enforcement proceedings**

Tax enforcement proceedings initiated by the Tax Authority and enforcement proceedings due to debts to social security shall be suspended until 30th June 2020, when the scheme approved by Article 7(1) of Law No. 1-A/2020 of 19th March ceases at an earlier date.

COVID-19:

VAT and Personal and Corporate Income Tax Withholdings

□ Decree-Law No. 10-F/2020 of 26th March 2020 (Statement of Amendments No. 13/2020)

- On the due date of payment of VAT and personal and corporate income tax withholdings, you have the following options:
 - Full payment as usual;
 - Interest-free payment in three or six instalments.
- In case you choose to pay in instalments, no guarantee shall be required.

Who can benefit?

- Every company and self-employed person with turnover of up to (\leq) 10 million euros in 2018.
- Every company and self-employed person whose activity falls within the sectors that have been closed pursuant to Article 7 of Decree No. 2-A/2020.
- Every company and self-employed person that has started/restarted their activity in 2019 ('restarted activity' applies to companies that did not have any turnover in 2018, otherwise these follow the general rule).
- The remaining companies and self-employed people, provided that they had a drop of more than 20% in turnover (according to the E-invoice system) when compared with the average turnover in the 3 months prior to the month when the payment is due vis-a-vis last year's figures.

COVID-19:

VAT and Personal and Corporate Income Tax Withholdings *(cont.)*

□ Decree-Law No. 10-F/2020 of 26th March 2020 (Statement of Amendments No. 13/2020)

How can I pay in instalments?

- Upon request submitted at the Finance Portal (automatic validation) for companies and self-employed people with turnover of up to 10 million euros in 2018, whose activities have been closed or have started/restarted in 2019.
- Upon request submitted at the Finance Portal (validation on a case-by-case basis) for the remaining cases, conditional on the submission of a certificate issued by the statutory auditor or the chartered accountant attesting to the drop in turnover.

Which VAT bills can be paid in instalments?

- All VAT bills:
- Monthly scheme on 20th April, 15th May and 15th June;
- Quarterly scheme on 20th May;
- The 1st instalment shall be paid on the date the payment is due and the remaining instalments are due on the same date in the following months.

Which corporate income tax and personal income tax bills may be paid in instalments?

- All personal income tax withholdings due on 20th April, 20th May and 20th June.
- The 1st instalment shall be paid on the date the payment is due and the remaining instalments are due on the same date in the following months.
- Corporate income tax withholdings may be paid under the same conditions.

SIMULATOR: <https://www.occ.pt/news/Simuladores/simuladorIVASS2020.xlsm> 

COVID-19:

Social Security Contributions

□ Decree-Law No. 10-F/2020 of 26th March 2020 (Statement of Amendments No. 13/2020)

▪ Social Security contributions:

- Deferral of 2/3 of the payment of social contributions from the employer due in March, April and May 2020 to the 2nd half of 2020, in 3 or 6 monthly instalments.
- The remaining two thirds shall be paid in interest-free successive equal instalments in July, August and September 2020 or from July to December 2020.

Who can benefit?

- This measure shall apply immediately to companies with up to 50 employees.
- Companies with up to 250 employees that had a drop in turnover of 20% or more.
- Companies with a total of 250 or more employees, provided that they show a drop of at least 20% in turnover in the months of March, April and May 2020 compared to the same period in the previous year, and comply with one of the following:
 - i. It is a private charity or equivalent;
 - ii. Employers fall within the sectors that have been shut down pursuant to Decree No. 2-A/2020, or operate in the aviation and tourism industries;
 - iii. The activity of these employers has been suspended by legislative or administrative order pursuant to Decree-Law 10-A/2020.
- Self-employed people may also benefit from this measure.

COVID-19:

Social Security Contributions *(cont.)*

□ Decree-Law No. 10-F/2020 of 26th March 2020 (Statement of Amendments No. 13/2020)

May I split the payment of an employee's contributions?

- No, you may not. Employee's contributions must be paid in the months in which they are due.

How do I indicate in which months you intend to pay?

- Employers and self-employed people must use the Social Security portal in July 2020 to indicate which of the payment periods they intend to use.

How do I show the drop in turnover?

- The requirements of the installment plan regarding turnover are indicated by the employer during the month of July 2020, together with the certificate issued by the company's chartered accountant.

How do I calculate the number of employees?

- The number of employees is calculated by reference to the payroll return for the month of February 2020.

COVID-19:

Social Security Contributions *(cont.)*

□ Decree-Law No. 10-F/2020 of 26th March 2020 (Statement of Amendments No. 13/2020)

What happens if I do not pay 1/3 of the contribution on time?

- If an employer or self-employed person does not pay 1/3 of the amount of contributions in any of the months within the deadline, access to this scheme is terminated.

What if the employer has already paid all the contributions due in March 2020?

- For employers who have already made full payment of contributions due in March 2020, the deferment of the payment of contributions begins in April 2020 and ends in June 2020.

Do I have to apply to the deferred payment scheme?

- The deferred payment of contributions from the employer or self-employed person is not subject to request. This aid is officiously granted by the Social Security services.

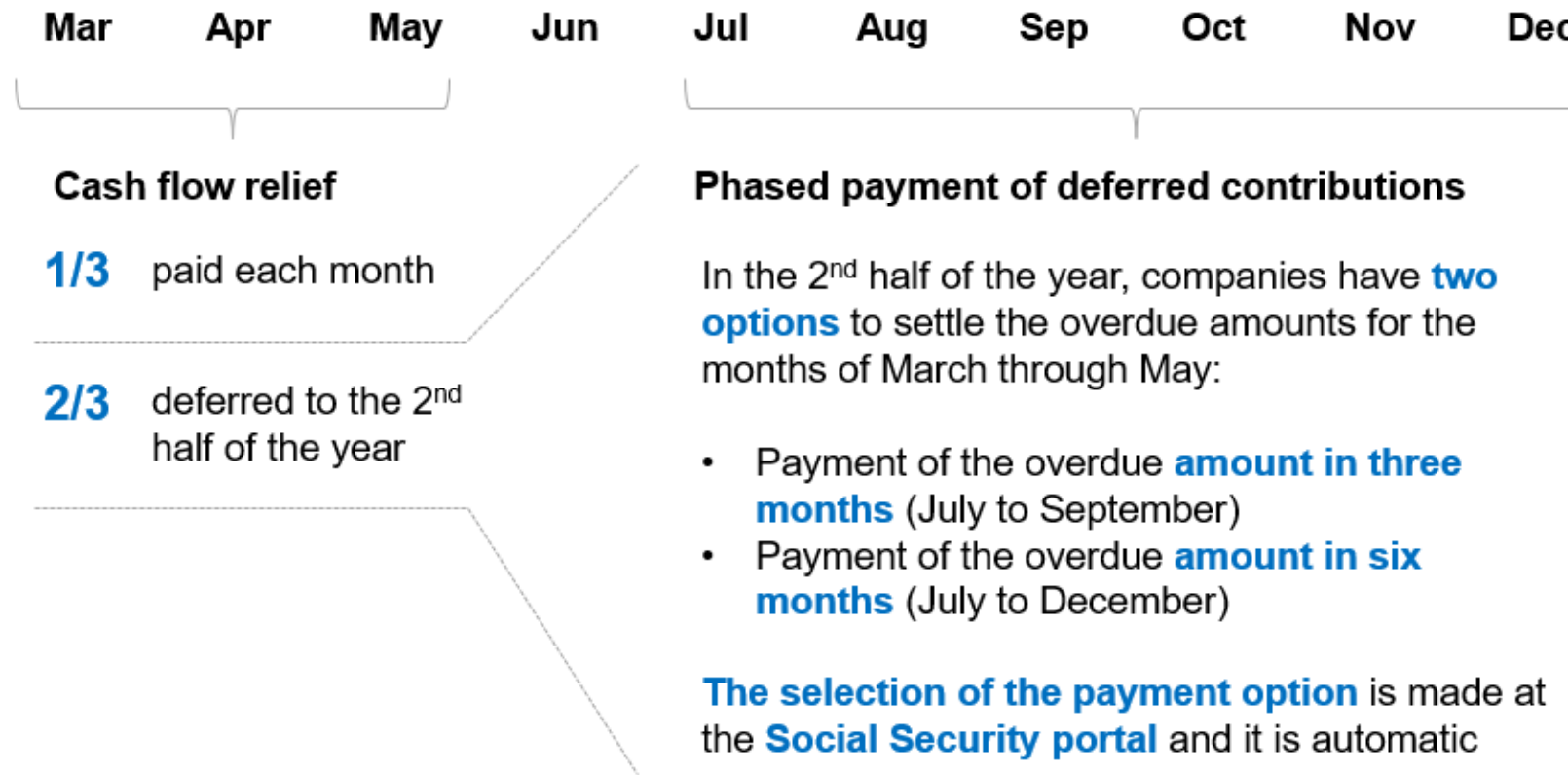
How can I pay 1/3 of the contribution?

- Employers must calculate the amount payable: the total amount of the estimated contributions plus 1/3 of the value of employers' contributions.
- Self-employed people must use the payment form available at the Social Security portal.

COVID-19:

Social Security Contributions (cont.)

□ Decree-Law No. 10-F/2020 of 26th March 2020 (Statement of Amendments No. 13/2020)



SIMULATOR:

<https://www.occ.pt/news/Simuladores/simuladorIVASS2020.xlsm>



COVID-19:

Self-Employed People / Managing Partners

□ Decree-Law No. 12-A/2020 of 6th April 2020

Who are the beneficiaries?

- Taxpayers covered exclusively by the self-employed people scheme that
 - are not pensioners; and
 - have had to comply with the contribution obligation for at least three consecutive months or six interpolated months for at least 12 months.
- Managing partners, provided that
 - they have no employees; and
 - the turnover declared through the e-invoice platform for the year 2019 was less than € 60,000.

For what reasons?

- In case of confirmed shutdown of their activity or their sector of activity; or
- By submitting their own statement together with a certificate of the chartered accountant attesting to the abrupt and sharp drop by at least 40% in turnover in the 30 days preceding the application to social security with reference to the monthly average of the preceding two months or to that same period last year; or, for those that have started operating less than 12 months ago, the average turnover in that period.

What aid is available?

- For one month, extendable up to 6 months;
 - When the recorded (declared) salary is less than € 658 (1.5 SSI), € 438.81 (1 SSI) shall be paid;
 - When the recorded (declared) salary is more than € 658 (1.5 SSI), 2/3 of the notional pay shall be paid up to € 658.
- This aid may not be cumulated with other forms of aid and it does not exempt taxpayers from paying contributions to social security.

COVID-19:

Business Support Credit Lines

□ Resolution of the Council of Ministers n.º 10-A/2020 of 12th March 2020

- **The credit line entitled ‘Capitalizar’** is divided into two portions: € 320 million to strengthen working capital and € 80 million for cash flow.
 - PME Investimentos, the entity in charge of the credit line ‘Capitalizar 2018 - COVID-19’, issued a statement on 6th April 2020 stating that considering the transactions already received and in view of the overall amount of the credit line, it is no longer possible to apply for this credit line.
- **Credit line for micro-businesses in the tourism industry:** € 60 million
- **Credit line for the catering industry and similar businesses:** € 600 million
 - COVID-19: Credit line for travel agencies, entertainment and event organisation and similar activities: € 200 million
 - COVID-19: Credit line for tourism companies (including tourist developments and tourist accommodation): € 900 million
 - COVID-19: Credit line for economic activity : € 4,500 million
- **Measures to encourage exports**



*This page contains
hyperlinks*

AMENDED 05.05.2020

COVID-19:

Credit Line for Micro-Businesses in the Tourism Industry

□ Legislative Order No. 4/2020 of 25th March 2020

Target:

- Micro-businesses in the tourism industry with up to 10 jobs and whose annual turnover or total annual balance sheet does not exceed 2 million euros.

Eligibility conditions:

- Statement made at the time of the application with Turismo de Portugal stating that the activity of the company has suffered a negative impact due to the coronavirus outbreak.
- Companies must be duly licensed for their activity and duly registered with the national tourism registration office, when legally required to do so.
- Companies cannot be considered in a situation of a company in difficulties.
- In the two years preceding the date of application, they cannot have been subject to administrative or legal penalties due to the employment of undeclared workers legally subject to the payment of taxes and social security contributions in accordance with the rules imposing that obligation in Portugal or in their homelands or in the State where their main offices are located.
- They may not have been convicted *res judicata* in the two preceding years for having unlawfully dismissed pregnant women or women who have recently given birth or are breastfeeding.

Conditions, namely guarantees, interest and maturities:

- Amount of the loan: 750 euros per month for each job in the company on 29th February 2020, multiplied by a period of three months up to a maximum of 20,000 euros;
- Term of the operation: 3 years, including a 1 year grace period;
- Guarantee: Personal guarantee from a shareholder of the company;
- Interest free;
- Applications: with Turismo de Portugal, which has 5 working days to respond.

COVID-19:

Credit Line for the Catering Industry and Similar Businesses

Target:

- Companies (from micro-businesses to midcaps) that are not classified as companies in difficulties and that have:
 - positive net worth on the last approved balance sheet.
 - negative net worth, provided that it has been settled in an approved interim balance sheet by the date of the transaction;
 - regardless of their net worth, began operating less than 12 months before the date of the application.

Eligibility conditions:

- Companies cannot have any debts to Social Security or the Tax Administration (any debts contracted in March 2020 or those that have been settled by 30th April 2020 do not count for these purposes).
- They cannot have outstanding debts to the banking system or the mutual guarantee system on the date of conclusion of the contract.
- They have to commit to keeping the number of permanent jobs until 31st December with reference to the number of such jobs on 1st February 2020.

Conditions, namely guarantees, interest and maturities:

- Maximum value of the facility per company: € 1.5 million (*limit defined according to the nature of the company*);
- Mutual guarantee: up to 90%;
- Counter-guarantee: 100%;
- Term of the operation: up to 6 years;
- Interest: fixed or variable interest rate plus 1% (one year), 1.25% (one to three years) or 1.5% (more than three years);
- Guarantee commission: 0,25% to 1,75%;
- Grace period (capital and interest): until 18 months;
- Applications: with the banks.

AMENDED 05.05.2020

COVID-19:

Credit Line for Travel Agencies, Entertainment and Event Organisation and Similar Activities

Target:

- Companies (from micro-businesses to midcaps) that are not classified as companies in difficulties and that have:
 - positive net worth on the last approved balance sheet.
 - negative net worth, provided that it has been settled in an approved interim balance sheet by the date of the transaction;
 - regardless of their net worth, began operating less than 12 months before the date of the application.

Eligibility conditions:

- Companies cannot have any debts to Social Security or the Tax Administration (any debts entered into in March 2020 or those that have been settled by 30th April 2020 do not count for these purposes).
- They cannot have outstanding debts to the banking system or the mutual guarantee system on the date of conclusion of the contract.
- They have to commit to keeping the number of permanent jobs until 31st December with reference to the number of such jobs on 1st February 2020.

Conditions, namely guarantees, interest and maturities:

- Maximum value of the facility per company: € 1.5 million (*limit defined according to the nature of the company*);
- Mutual guarantee: up to 90%;
- Counter-guarantee: 100%;
- Term of the operation: up to 6 years;
- Interest: fixed or variable interest rate plus 1% (one year), 1.25% (one to three years) or 1.5% (more than three years);
- Guarantee commission: 0,25% to 1,75%;
- Grace period (capital and interest): until 18 months;
- Applications: with the banks.

AMENDED 05.05.2020

COVID-19:

Credit Line for Tourism Companies

Target:

- Companies (from micro-businesses to midcaps) in the tourism industry (including tourist resorts) that are not classified as companies in difficulties and that have:
 - positive net worth on the last approved balance sheet.
 - negative net worth, provided that it has been settled in an approved interim balance sheet by the date of the transaction;
 - regardless of their net worth, began operating less than 12 months before the date of the application.

Eligibility conditions:

- Companies cannot have any debts to Social Security or the Tax Administration (any debts entered into in March 2020 or those that have been settled by 30th April 2020 do not count for these purposes).
- They cannot have outstanding debts to the banking system or the mutual guarantee system on the date of conclusion of the contract.
- They have to commit to keeping the number of permanent jobs until 31st December with reference to the number of such jobs on 1st February 2020.

Conditions, namely guarantees, interest and maturities:

- Maximum value of the facility per company: € 2 million (*limit defined according to the nature of the company*);
- Mutual guarantee: up to 90%;
- Counter-guarantee: 100%;
- Term of the operation: up to 6 years;
- Interest: fixed or variable interest rate plus 1% (one year), 1.25% (one to three years) or 1.5% (more than three years);
- Guarantee commission: 0,25% to 1,75%;
- Grace period (capital and interest): until 18 months;
- Applications: with the banks.

AMENDED 05.05.2020

COVID-19:

Credit Line for Industry Sectors – Textiles, Clothing, Footwear, Extractive and Wood

Target:

- Companies (from micro-businesses to midcaps) that are not classified as companies in difficulties and that have:
 - positive net worth on the last approved balance sheet.
 - negative net worth, provided that it has been settled in an approved interim balance sheet by the date of the transaction;
 - regardless of their net worth, began operating less than 12 months before the date of the application.

Eligibility conditions:

- Companies cannot have any debts to Social Security or the Tax Administration (any debts entered into in March 2020 or those that have been settled by 30th April 2020 do not count for these purposes).
- They cannot have outstanding debts to the banking system or the mutual guarantee system on the date of conclusion of the contract.
- They have to commit to keeping the number of permanent jobs until 31st December with reference to the number of such jobs on 1st February 2020.

Conditions, namely guarantees, interest and maturities:

- Maximum value of the facility per company: € 1.5 million (*limit defined according to the nature of the company*);
- Mutual guarantee: up to 90%;
- Counter-guarantee: 100%;
- Term of the operation: up to 4 years;
- Interest: fixed or variable interest rate plus 1% (one year), 1.25% (one to three years) or 1.5% (more than three years);
- Guarantee commission: 0,25% to 1,75%;
- Grace period (capital and interest): until 18 months;
- Applications: with the banks.

AMENDED 05.05.2020

COVID-19:

Measures to Encourage Exports

What measures are these?

- By increasing credit insurance lines backed by State guarantees, export and customer diversification will be supported, particularly to markets outside the European Union.

What is the target of these measures?

- Companies from various sectors affected by COVID-19.

In what conditions?

- Credit insurance line for metallurgical, metalworking and moulding industries: over 100 million euros;
- Credit insurance line guarantee for works abroad: more than 100 million euros;
- Short term export credit insurance line: more than 50 million euros.

COVID-19:

Loan Repayment Holidays

□ Decree-Law No. 10-J/2020 of 26th March 2020

WHAT IS THE PURPOSE?

- The aim of the loan repayment holidays is to protect companies that are experiencing business hardships due to the Covid-19 outbreak by allowing them to defer the payment of their liabilities to financial institutions during this period.

WHAT IS THE TARGET?

- Individuals, individual entrepreneurs (ENI), private charities (IPSS), non-profit associations and other social economy entities, small and medium-sized enterprises (SMEs) and other companies in the non-financial sector.

FOR HOW LONG?

- The loan repayment holiday lasts six months – until 30th September 2020.

WHAT DOES IT COVER?

- For ENI, IPSS, SMEs and other companies in the non-financial sector, this scheme covers borrowings as well as other lending operations that are essential for business, including leasing and factoring. The only exceptions are loans for the purchase of securities or the acquisition of positions in other financial instruments; loans granted to beneficiaries of schemes, subsidies or benefits, namely tax benefits, for the establishment of head offices or residence in Portugal, including for the investment activity (except the 'Regressar' Programme); and loans granted to these entities to be used individually by means of credit cards.

COVID-19:

Loan Repayment Holidays *(cont.)*

□ Decree-Law No. 10-J/2020 of 26th March 2020

WHAT ARE THE EFFECTS?

- Loan agreements with periodic instalments are suspended until 30th September 2020. The term of the loan agreement will be extended for 6 months into the future.
- During this period, the beneficiaries will not have to pay principal or interest.
- All credit agreements with a final payment at the end of the agreement are extended for a period of 6 months and the total or partial revocation of all credit lines already contracted and loans already granted is prohibited.

WHAT ARE THE CONDITIONS OF ACCESS?

- Entities with claims for arrears of pay or that have failed to pay cash instalments for more than 90 days regarding the institutions are not covered by this measure.
- Companies, individual entrepreneurs and IPSS with head offices or residence in Portugal.
- Companies that have no outstanding debt with the Tax Authority or Social Security

HOW DO YOU APPLY?

- You have to submit an application by physical or electronic means to the financial entity that has granted you the loan.
- You must submit evidence that you have no outstanding debt with the Tax Authority or Social Security.
- Upon receipt of your application, the institution has five working days to implement the loan repayment holiday.

CAN YOU HAVE PARTIAL ACCESS?

- You can apply for the suspension of the payment of principal or part of it.

COVID-19:

Loan Repayment Holidays (cont.)

□ Decree-Law No. 10-J/2020 of 26th March 2020

WHAT ARE THE CONSEQUENCES?

- The instalments (of principal/interest) included in the loan repayment holiday shall be extended for 6 months more.
- Interest accrued during the loan repayment holidays as well as other charges shall be capitalised and included in the amount due.

EXAMPLES:

Characteristics of the loan					After the loan repayment holidays		Impact
Type	Principal	Term	Interest rate	Monthly payment	Term	Monthly payment	Payments in 2020
Small business loan	€ 30,000	4 years, 1 year grace period, after 1 ½ year	3.5%	€ 878	+ 6 months	€ 894	€ - 5,323
Working capital loan for medium-sized enterprises	€ 75,000	4 years, 1 year grace period, after 1 ½ year	3%	€ 2,180	+ 6 months	€ 2,213	€ -12,979
Investment loan for medium-sized enterprises	€ 750,000	10 years (after 5 years)	3%	€ 7,228	+ 6 months	€ 7,337	€ -43,042
Investment loan with half-yearly interest payment and principal payment at the end of the loan's life	€ 250,000	4 years (after 2 years)	2.5%	€ 3,106 (final payment of € 253,106)	+ 6 months	€ 3,144 (final payment of € 256,250)	€ -3,068

COVID-19:

Rental Payment Holiday

☐ Law No. 4-C/2020 of 6th April 2020

Question	Private Renting		Commercial Renting
	Tenant	Landlord	
When?	<p>a. A drop by more than 20% in household income compared to the income of the previous month or the same period last year; and</p> <p>b. A household debt service ratio of more than 35% regarding the payment of rent..</p>	<p>b. The percentage of the drop in income has been caused by the non-payment of rent by tenants.</p>	<p>a) Establishments open to the public intended for retail trade and services that have closed or have had their activities suspended pursuant to Decrees or other provisions in connection with the implementation of the state of emergency; or</p> <p>b) Restaurants and similar venues, including those that have remained active exclusively providing products for consumption outside the premises or for home delivery.</p>
How?	<p>Law No.91/2020 of 14th April 2020 Tenants that are unable to pay their rent have the duty to inform the landlord in writing up to 5 days before the 1st rent is due, providing documents that prove the situation. Regarding rents due on or after April 1, when it is impossible to notify within the specified period of five days, the same can be done up to 20 days after the date of entry into force of the Law (April 7).</p>		
What form of aid?	<p>Interest-free loan granted by IHRU, I. P., to support the difference between the amount of the monthly rent due and the amount resulting from the application to that income of a maximum debt service ratio of 35%, with the remaining disposable income of the household not being less than € 438.81.</p>		<p>Deferral of payment of the rent due while the state of emergency lasts and in the first month thereafter that shall be paid in the 12 months following the end of that period in monthly instalments of not less than one twelfth of the total amount, paid together with the rent for the month in question.</p>

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COVID-19:

Measures With Impact on Human Resource Management

PREVENTIVE ISOLATION

- The preventive isolation order shall be issued by the health authority (health care representative), and the employee is entitled to the payment of sick leave corresponding to 100% of the notional pay for the duration of the isolation, i.e., up to 14 days.
- The employee must contact the health authority and the process is then triggered by this competent authority (with jurisdiction in the person's official residence area).
- The employee must then send the preventive isolation order issued by the health authority to the employer, and the latter must send it to Social Security within a maximum of 5 days of receipt.
- This statement that certifies the need for preventive isolation replaces the document justifying the absence from work for the purposes of justifying absences and granting sick pay for a maximum period of 14 days of preventive isolation, as well as for any child or grandchild care allowance when the children have to remain in preventive isolation.
- When employees in this situation continue to work from home, they shall continue to earn their usual pay, paid in full by the employer.

COVID-19:

Measures With Impact on Human Resource Management *(cont.)*

STATUTORY SICK PAY

What is the amount of the statutory sick pay?

Duration of the illness	Notional pay
Up to 30 days	55%
From 31 to 90 days	60%
From 91 to 365 days	70%
More than 365 days	75%

- Where a person is found to have become ill, and a temporary incapacity certificate (CIT) is issued, it replaces the preventive isolation order and the law in force shall apply. In other words, the employee ceases to receive the preventive isolation benefit and becomes entitled to sick pay as defined by law.

COVID-19:

Measures With Impact on Human Resource Management *(cont.)*

CARE ALLOWANCE FOR CHILDREN AND GRANDCHILDREN

- When employees cannot work because they have to care for their child or grandchild, they are entitled to receive the respective allowance, for which they should apply preferably at the Social Security portal.

What is the amount of the allowance?

- With the entry into force of the State Budget for 2020, the daily amount of the childcare allowance will be 100% of the notional amount, while the amount of the allowance to care for a grandchild shall remain at 65%.

How do I apply?

- You should preferably apply at the Social Security portal, attaching a copy of the preventive isolation order issued by the health authority.

COVID-19:

Measures With Impact on Human Resource Management *(cont.)*

RIGHTS IN THE CONTEXT OF THE SUSPENSION OF TEACHING AND NON-TEACHING ACTIVITIES

The Government has decreed, beginning on 16th March with reassessment on 9th April 2020, the suspension of teaching and non-teaching and training activities with the presence of students in public, private and cooperative educational establishments and in the charity sector, including kindergarten, basic, secondary and higher education.

Employees with children under 12

- The absences are justified as long as they do not coincide with school holidays.
- You are entitled to exceptional financial support corresponding to 2/3 of your notional salary, which shall be paid in equal shares by your employer and Social Security and is limited to a minimum wage and a maximum of 3 national minimum wages.
- This aid shall not be granted during school holidays.
- If one parent is working from home during the period schools are closed the other parent cannot benefit from this exceptional aid.
- The allowance is paid in equal parts by the employer and Social Security. The Social Security part is transferred to the employer and the employer pays the employee in full.
- The employee must inform the employer of the reason for the absence by means of the appropriate form available on the Social Security portal. Subsequently, the exceptional support is requested by the employer that shall have to certify with the Social Security services that there are no conditions for other forms of work, namely working from home.
- The employee shall pay the usual contribution of 11% of the total amount of the aid given. The employer shall support 50% of the employee's contribution due for the total amount of the allowance.

COVID-19:

Other Aspects to Consider

- Failure of the employer to comply with the obligations that underlie the support provided for shall result in the immediate termination of the support and the repayment or payment of the amounts already received or exempted, where one of the following conditions is met:
 - Dismissal, except due to a fact attributable to the employee;
 - Failure to timely pay the remunerations owed to employees;
 - Non-compliance with legal, tax or social security obligations;
 - Distribution of profits for the duration of the obligations arising from the incentive granted, in any form, namely as a withdrawal on account;
 - Failure to meet any obligations within the agreed time limits due to the employer's fault;
 - Making false statements.
 - When the employee covered by the extraordinary support measure for the preservation of jobs in the form of suspension of the contract, or beyond the established working hours in the form of temporary reduction of the normal working hours keeps on working for that same employer.
- When an employee is working from home, the insurance company shall be informed for the purposes of the accident at work insurance.

Disclosing this information is necessary to ensure that any accident that occurs during the homeworking period is covered even though the assumptions of the activity and the workplace have changed.

COVID-19:

Other Aspects to Consider *(cont.)*

- The entities benefiting from the support must, for the purpose of proving the facts on which the request is based and respective extensions, preserve the relevant information for the period of three years, in accordance with Ordinance No. 94-A / 2020, of 16 April.
- Deadlines for delivery of the next requirements:

Support reference period	Application deadline		
	Exceptional family support for employees	Exceptional family support for self-employed workers	Extraordinary support for the reduction of the economic activity of self-employed workers / managing partners (total shutdown and reduction greater than 40%)
April 2020	May 1st to 10th	May 1st to 10th	April 20th to 30th
May 2020	June 1st to 10th	June 1st to 10th	May 20th to 31st
June 2020	July 1st to 10th	July 1st to 10th	June 20th to 30th

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COVID-19:

How Can Conceito Help?

EXTRAORDINARY SUPPORT

- ❑ Analysing the compliance with the requirements for the application of the extraordinary support measures.
- ❑ Assisting in the definition of the support framework that is most suited to the Company;
- ❑ Preparing applications and the certificates issued by the chartered accountant for the submission of applications.
- ❑ Preparing any supporting documents for subsequent inspections.
- ❑ Accompanying and monitoring the process as well as the applicable conditions for possible monthly extensions.

TAX MEASURES

- ❑ Analysing the impact of the extraordinary measures.
- ❑ Supporting the submission of applications and other documents.
- ❑ Ensuring compliance with formal or reporting requirements for the implementation of additional measures that may be devised.

HUMAN RESOURCES

- ❑ Providing the adequate framework for absences within the scope of the allowances granted by Social Security in accordance with the measures announced by the Government.

Conceito is available to support you and clarify any issues through our team of experts that are monitoring the impacts of COVID-19 on the Portuguese business environment:

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