

STATE FINANCIAL SUPPORT RELATED TO CORONAVIRUS

Status as at 20 April 2020, 11:00 AM (will be continuously updated).

AUTUMN 2020, WINTER AND SPRING 2021

At an extraordinary meeting on 14 October 2020, the Government of the Czech Republic approved several programmes to support businesses most affected by the new wave of measures enacted to combat COVID-19. Some programmes are built on the support measures established this spring (Antivirus A and B, Covid III, etc.). Others are completely new.

Antivirus A

- ▶ Validity extended until May 31, 2021
- ▶ The contribution can be used for expenditures incurred in October, November and December 2020
- ▶ **Applies to an employer whose employees have been quarantined or isolated**
- ▶ The state will reimburse these employers for **80% of the wage costs** for these employees
- ▶ **The maximum monthly payment limit per employee is CZK 39,000**
- ▶ Employers can use Antivirus A even if the employer has had to close or significantly reduce its operations as a result of government regulations - **but it is possible to take advantage of the increased contribution in the Antivirus Plus scheme**
- ▶ If an agreement to draw on the Antivirus A programme was concluded in the spring of 2020, it is automatically extended
- ▶ More about Antivirus A - [here](#)

Antivirus Plus (Antivirus A Plus)

- ▶ Validity extended until May 31, 2021
- ▶ The contribution can be used for expenditures incurred in October, November and December 2020
- ▶ This is a follow-up programme to Antivirus A

- ▶ Applies to an employer whose employees have been quarantined, isolated or hindered at work if **the employer has had to close or significantly reduce its operations as a result of government regulations**
- ▶ The state will pay these employers **100%** of the wage costs for these employees
- ▶ **The monthly payment limit per employee is CZK 50,000**
- ▶ The use of the Antivirus Plus contribution may be limited in connection with the use of additional support (COVID-rent...)
- ▶ Antivirus A and Antivirus Plus programmes can be combined with each other, even in individual months, and even for individual employees
- ▶ More about Antivirus Plus - [here](#)

Antivirus B

- ▶ The government approved the extension of the Antivirus B Programme until May 31, 2021
- ▶ Applies to employers whose employees find themselves without work due to **restrictions on the availability** of inputs (raw materials, service products) or due to **restrictions on product sales or restrictions on demand for the employer's services**
- ▶ The state will pay these employers **60%** of the **wage costs** for these employees
- ▶ **The maximum monthly payment limit per employee is CZK 29,000**
- ▶ If an agreement to draw on the Antivirus B programme was concluded in the Spring of 2020, it is automatically extended
- ▶ More about Antivirus B - [here](#)

COVID Programme

- ▶ The Czech government has decided to continue the COVID subsidy programme. It has extended existing support to other sectors affected by forced closures. **Open subsidy programmes** are the following:
COVID - 2021

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- ▶ Submission of applications 12 April - 31 May 2021, 4 PM
- ▶ 6 billion has been allocated to the programme
- ▶ The contribution can be requested for the period from 11 January 2021 to 31 March 2021
- ▶ Support in the amount of CZK 500 per day per employee
- ▶ The aid is intended for entities whose sales in January, February and March 2021 decreased by at least 50% compared to the same period in 2019 or 2020. An exception will be made for self-employed persons who started a business after the first day of the comparison period
- ▶ COVID - 2021 support will not be able to be combined with the self - employed compensation bonus, the COVID - Uncovered Costs programme and other coronavirus mitigation support programmes. An exception will be the Antivirus programme.
- ▶ The source of funding is EU funds, the use of the contribution is limited in connection with the use of additional support under the condition "DE MINIMIS"
- ▶ more information can be found [here](#)

COVID - Uncovered costs

- ▶ Receipt of application from 19 April 2021 to 19 July 2021
- ▶ The contribution can be requested for the period from 1 January 2021 to 31 March 2021
- ▶ CZK 6 billion has been allocated for the programme
- ▶ The amount of support will be up to 60% of uncovered fixed costs, the limit per applicant will be 40 million crowns.
- ▶ The condition for obtaining support in the COVID programme - Uncovered costs will be a decrease in the company's turnover in January, February and March 2021 compared

to the same period in 2019 or 2020 by at least 50% and at the same time reporting a loss according to the adjusted profit and loss result in accordance with the terms of the subsidy program.

- ▶ The adjustment of the profit and loss statement is largely carried out in accordance with the Income Tax Act. To determine the amount of loss, the accounting result is adjusted for tax depreciation, subsidies that are received or requested, provisions and adjustments only up to the amount of tax deductible expenses and more.
- ▶ It will not be possible to combine the program with the COVID - 2021 programme
- ▶ The source of funding is EU funds, the use of the contribution is limited in connection with the use of additional support under the condition "DE MINIMIS"
- ▶ More information may be found [here](#)

TERMINATED PROGRAMMES

COVID - Culture III

- ▶ This is the third grant call.
- ▶ Decisive period from 1 February to 30 April 2021
- ▶ Submission of applications 15 February - 30 April 2021
- ▶ Aimed at self-employed persons in the artistic and artistic-technical professions, which were most affected by the measures adopted by the Government of the Czech Republic in connection with the fight against the spread of COVID-19
- ▶ One-time support in the maximum amount of CZK 60,000
- ▶ More about COVID support - culture may be found [here](#).

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COVID - Rent III.

- ▶ All retail and service businesses that are prohibited or significantly restricted due to government measures are entitled to a rent allowance. This means all except the explicitly listed exceptions, which, even in the current situation, do not have to reduce or completely close their establishments. These include, for example:
 - grocery stores and petrol stations
 - pharmacies and drugstores,
 - laundries, dry cleaners,
 - vehicle services,
 - florists, gardening, haberdashery and farmers markets
 - Home goods stores and hardware stores and more.
- ▶ The condition is also a decrease in sales by 50 %
- ▶ The amount of support is **50% of the total rent** for the period from July to September 2020
- ▶ The aid **will not be conditional on a mandatory rent reduction** by the landlord (as has been the case so far)
- ▶ The subsidy will be paid back after payment of the rent to the landlord
- ▶ The support is provided up to a maximum of CZK 10 million per tenant
- ▶ The state has set aside CZK 3 billion to support rent

More about COVID - Rent may be found [here](#). An extension of the content of the regulation to other entities is available [here](#).

COVID - Tourism support

- ▶ Again, this is a completely new subsidy programme.
- ▶ Support is provided for the following:

- tour operators
- travel agencies
- travel guides

- ▶ For tour operators, the amount of support depends on the planned revenues from the sale of tours and services for 2020.
- ▶ Support for travel agencies - the amount of support depends on the number of tours cancelled due to the pandemic. These tours had to be purchased in the period from 1 December 2019 to 1 October 2020.
- ▶ The measure also applies to cancelled spa stays.
- ▶ The government will support this area with CZK 500 million.
- ▶ More about COVID support - Tourism support [here](#).

COVID - Accommodation II

- ▶ The planned programme follows the Covid - Accommodation programme
- ▶ Planned period of support: 22 October 2020 - 22 January 2021 (Except 3 December. - 17 December 2020)
- ▶ Acceptance of applications from 8 February to 31 March 2021
- ▶ Accommodation facilities will be able to apply for a state subsidy for each day of forced room closure.
- ▶ The subsidy is proposed in the amount of CZK 100 - CZK 200 depending on the category and class of the accommodation facility.

More about COVID support - Accommodation II [here](#).

COVID - Gastro

- ▶ This is a completely new subsidy programme designed to support restaurateurs, supported by the government on December 14
- ▶ Period covered by the support: 9 October to 10 January 2021

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- ▶ The amount of compensation is CZK 400 per day per employee or cooperating self-employed person
- ▶ The condition is a decrease in sales for the 4th quarter of 2020 compared to the 4th quarter of 2019 by at least 30% (in the case of starting a business after 1 October 2019, the period is compared to the third quarter of 2020)
- ▶ The subsidy is provided for the costs of operating and maintaining business activities, such as personnel costs, costs of materials, services (incl. leasing), depreciation, taxes and fees, loan repayments, overheads, etc.
- ▶ The use of the contribution may be limited in connection with the use of additional support under the condition "DE MINIMIS" (COVID-rent, COVID-spa, Antivirus A Plus...).
- ▶ More about COVID Gastro support [here](#)

COVID - SPORT III Ski Resorts

- ▶ New subsidy programme to cover operating costs
- ▶ The relevant period is from 27.12.2020 to 22.1.2021
- ▶ Acceptance of requests is available until 15 February 2021
- ▶ The amount of the subsidy depending on the transport equipment is from CZK 210 to CZK 530 for one spot per day
- ▶ The maximum amount of support is 50% of the current average daily operating cost of the centre for the past 3 seasons.
- ▶ The use of the programme may be limited in connection with the drawing of additional support under the condition "DE MINIMIS" (COVID-rent, COVID-spa...).
- ▶ More about SPORT III Ski Resort support [here](#)

COVID - Trade fairs / congresses

- ▶ New subsidy program approved by the Government of the Czech Republic on 8 February 2021
- ▶ Decisive period 1 March to 31 October 2020
- ▶ Planned support for entrepreneurs in the trade fair, event and congress industries
- ▶ Amount of aid 40% - 60% of uncovered costs
- ▶ The condition is a decrease in turnover by at least 30% due to anti-epidemic government regulations for the period March to October 2020 compared to the same period in 2019
- ▶ CZK 600 million is earmarked for the programme
- ▶ The amount of support will be reduced by other support such as COVID rent or COVID Culture

Agricovid food industry - 2. call

- ▶ Support may be requested from business entities active in food production supplying products to catering operators in order to mitigate the negative economic impact of the measures they have had to take due to coronavirus.
- ▶ **The relevant period** is from 1 December 2020 to February 2021
- ▶ **Receipt of applications from 1 December 2020 to 15 March 2021**
- ▶ The condition is a decrease in income by more than 25% for the decisive period
- ▶ The total amount of support under this subsidy programme may not exceed 75% of the actually demonstrated decrease in income from food sales.
- ▶ The amount of support is reduced by support from other programmes such as Antivirus, Covid-Rent, Compensation Bonus and more
- ▶ More about Agricovid food industry support [here](#)

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Extension of the COVID III Programme

- ▶ The programme will enable commercial banks to **quickly lend operating costs and now also investment costs to companies**. It will now also be possible to support investment loans for businesses. The guarantor is the Czech-Moravian Guarantee and Development Bank.
- ▶ The volume of the state guarantee will make it possible to support the provision of up to CZK 495 billion of funds needed for important segments of the economy.
- ▶ Parameters in the case of small and medium-sized companies (less than 250 employees):
 - the guarantee is provided at a maximum of 90% of the debt from the individual loan provided, i.e. the lending bank's share of the risk is at least 10%,
 - performance under the guarantee in each case is limited to CZK 45 million, as the programme is parametrically set for loans up to CZK 50 million (90% of the coverage limit corresponds to an absolute amount of CZK 45 million).
- ▶ Parameters for companies employing 250 - 500 employees:
 - the guarantee is provided to the maximum extent of 80% of the provided loan, i.e. the share of the lending bank in the risk is at least 20%,
 - performance under the guarantee is limited to CZK 40 million (80% of CZK 50 million).
- ▶ Self-employed persons and companies with up to 500 employees can apply for loans from the end of May.
- ▶ More about COVID III support [here](#).

COVID Warrenty TA

- ▶ A new guarantee programme implemented by the Czech-Moravian Guarantee and Development Bank (ČMZRB)

- ▶ Designed for small and medium travel agencies
- ▶ The purpose is to help arrange the legal obligation of insolvency protection insurance (insolvency insurance)
- ▶ guarantee rate: the guarantee (ČMZRB) will amount to 75% of the required TA co-participation up to 30% of the insurance indemnity limit (maximum sum insured) and a maximum of CZK 4 million (the remaining 25% of the required co-participation is provided by the TA itself)
- ▶ More about COVID Warrenty TA may be found [here](#)

COVID Sport warrenty

- ▶ A new guarantee programme, including a financial contribution to interest on a loan implemented by the Czech-Moravian Guarantee and Development Bank (ČMZRB)
- ▶ It focuses on solving current problems of self-employed persons and small and medium-sized enterprises (SMEs) operating in sports
- ▶ guarantee rate: up to 80% of the principal guaranteed by loans
- ▶ amount of guaranteed loan: up to CZK 15 million
- ▶ guarantee length: up to 3 years
- ▶ It will be possible to make a financial contribution to the interest on the guaranteed bank loan.
- ▶ more information can be found [here](#)

Antivirus C

- ▶ Antivirus C was launched for three months (June, July, August) and was not extended

COVID -BUS

- ▶ This is a completely new subsidy programme
- ▶ It focuses on support for non-scheduled bus transport:

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- tours;
- transport of children to camps and schools in nature, etc.

- ▶ The amount of the contribution depends on the emission class of the bus (higher emission class = lower impact on the environment = higher contribution) and the capacity of the bus

More about COVID - BUS support may be found [here](#)

COVID - Sport II

- ▶ The government will also support professional sports. The following will be able to apply for the subsidy:
 - sports clubs from major professional competitions;
 - organisers of sports events.
- ▶ The government will support this area with CZK 500 million
- ▶ More about COVID - Sport II may be found [here](#)