

The Polish Confederation Lewiatan provided the government with several dozen recommendations aimed at protecting companies from the negative effects of the coronavirus pandemic.

**List of protective and support measures for companies during the crisis:**

**1. Support in case of suspension of the company's activities**

It should be possible to introduce economic downtime or a reduction in the amount of the salary paid to employees, but the salary must not be lower than the minimum salary for work.

The costs of remuneration for the period of suspension of the company's activity are borne by the employer and the State Treasury in equal parts. The State Treasury covers social and health insurance obligations.

**2. Salary subsidies during economic downtime or reduction in working hours**

In the event of an extraordinary drop in turnover (including an expected drop in turnover, as documented by broken contracts, a drop in orders), it should be possible to introduce economic downtime or a reduction in working hours. A good basis for the preparation of effective instruments in this area is the Act of 11 October 2013 on special solutions related to the protection of jobs. They make it possible to lower the salary to at least the minimum and provide a subsidy for salaries and contributions to the Social Insurance Institution. However, it is necessary to adapt this provision to the current situation by shortening the required period for examining the drop in turnover and moving away from the obligation to introduce solutions in a collective agreement or agreement with the trade unions, which may significantly increase the response time to a crisis situation. It should be limited to consulting the trade unions and informing the competent authorities.

### **3. Exclusion of the obligation to pay salary; granting sickness benefit**

In the case of incapacity for work (as a result of a decision by the competent authorities), the employer should not be obliged to pay salary. In this case, the employee should be entitled to sickness benefit from day one.

### **4. Abolition of liability for non-performance of the agreement, compensation for damage resulting from actions of public authorities**

Specific provisions should be introduced to relieve entrepreneurs from liability for non-performance of an agreement and for failure to fulfil their contractual obligations due to the actions of public authorities. Moreover, entrepreneurs who have suffered a loss as a result of actions of public authorities should be entitled to compensation adequate to the losses incurred.

### **5. Suspension of payments of contributions to the Social Insurance Institution**

For micro and small businesses, a major monthly burden is the payment of social and health insurance contributions. As a result of this situation, many of the smallest entrepreneurs will not earn income to pay their contributions, especially small restaurateurs, traders, often artists. In this case payments of contributions to the Social Insurance Institution should be suspended.

### **6. Suspension of all procedural deadlines**

It is necessary to regulate the suspension of procedural deadlines provided for, among others, in the Acts such as Tax Ordinance, Code of Administrative Proceedings, Code of Civil Proceedings and others, such as the deadline for filing an appeal, for reviewing the files.

### **7. Waiver of the application of sanctions provided for in the Penal and Fiscal Code**

We postulate that the provisions of the Penal and Fiscal Code should not be applied in any situation in which - due to the restrictions associated with the operation of the company during an epidemic - tax obligations have not been properly or timely fulfilled.

#### **8. Suspension of the application of the provisions on payment backlogs**

We call for a temporary suspension of the application of the provisions of the Act of 19 July 2019 amending certain acts in order to reduce payment backlogs.

#### **9. Waiver the obligation to achieve a minimum tax profitability for tax capital groups (TCG)**

We propose that for already existing TCGs in 2020, the condition of 2% tax profitability (suspension of the application of Art. 1a par. 2 item 4 of the CIT Act) should be suspended, so that as a consequence, TCGs that do not meet this condition in 2020 will not be dissolved and will have to bear additional costs related to functioning as an individual taxpayer after the termination of the TCG.

#### **10. Suspension of collection and non-imposition of new sanction taxes**

Priority should be given to suspending the application of the minimum tax rules on ownership of a leased or rented fixed asset. The introduction of a tax on sugar and a tax on retail sales, which the Government plans to enter into force on 1 July 2020, should be abandoned.

#### **11. Postponement of introduction of obligatory VAT files until the end of 2020**

The introduction of files with a declaration and register as of 1 July 2020 is a step in the right direction. However, taking into account the level of required changes, time and cost of this undertaking, with the simultaneous lack of fiscal effects, it is reasonable to exempt taxpayers from the need to devote time and costs to work on this file. A postponement to 1 January 2021 (and a corresponding postponement for subsequent groups) of the submission of new VAT structures is necessary.

## 12. Deferment of the submission of information on transfer prices TP-R for 2019

The deadline for submitting the TP-R form should be postponed until the Minister of Finance issues new regulations in this respect. Taking into account the existing situation, which will undoubtedly result in postponing/extending the work on the new regulation, we propose to postpone the deadline for taxpayers to submit the TP-R form until the end of 2020.

## 13. Deferment of deadlines for filing tax declarations and tax returns

It is necessary to postpone deadlines for:

- drawing up and signing financial statements for 2019 until at least 30 May 2020
- filing CIT-8 declaration for 2019 until at least 30 May 2020
- filing MDR declaration regarding tax schemes until 30 May 2020
- filing IFT-2R declaration until 30 May 2020
- filing VAT-7, VAT-8, VAT-9M, VAT-12 declarations and JPK files until 30 May 2020
- settlement of fees for the use of the environment for 2019 until 30 May 2020
- settlement of product fee for products for 2019 until 30 May 2020

## 14. Providing entrepreneurs with quick access to finance on preferential terms

Entrepreneurs should be provided with quick access to finance in order to stay in business during the crisis, e.g. through access to preferential credits and loans and support for creditworthiness by providing loan guarantees. Credit preferences should concern in particular access to cheap credits or loans. It is necessary, among others, to extend the guarantee period to at least 63 months for revolving working capital loans, to waive

commission on guarantees, to set the maximum amount of guarantees at 80%, to introduce counter-guarantees for commercial guarantees and to increase the limit and make the rules for granting de minimis aid more flexible.

### **15. Providing entrepreneurs with support from EU funds in forced transformation processes.**

Change in the allocation of funds from the European Social Fund and the European Regional Development Fund, mainly through financing the transition to remote work (e.g. purchase of the required infrastructure, software, but also acquisition of competencies), change in the way services are provided, including development services (e.g. purchase of communication platforms, transformation of stationary courses into on-line courses), outplacement, financing of modernization investments consisting in digitization of processes in the enterprise, support for the change of business profile (re-branding), legal support, e.g. in the application of transitional provisions, renegotiation of long-term contracts.

