



# Tax deferral measures in response to COVID-19 as of June 2022 in 9 European countries

30 June 2022



 Austria (1/3)

Questions	Answers
<p>1. Has your country relaxed its policy on granting deferral of payment of taxes to entrepreneurs/companies in connection with COVID-19?</p>	<p>1. Yes there were several changes of the policy on granting deferral of payment of taxes to entrepreneurs/companies in connection with COVID-19.</p> <p>However, be aware that already before the COVID-19 pandemic Section 212 of the Austrian Federal Fiscal Code (BAO) allowed the tax authorities to defer the payment of taxes or allow for a payment arrangement upon request of a taxpayer. The conditions for the payment deferral / payment arrangement of are as followed:</p> <ol style="list-style-type: none"><li>1. The taxpayer has to apply for the payment deferral / arrangement.</li><li>2. The immediate/the full payment of the tax debt would constitute a considerable hardship for the taxpayer</li><li>3. The collectability of the tax amount is not endangered by the deferral/payment arrangement</li></ol> <p>Generally the period for a payment arrangement or a payment deferral should not exceed one year, but may be extended if the circumstances do not change.</p> <p>For the deferral period, late payment interest in the amount of 4,5% above the base interest rate have to be paid.</p> <p>If a payment arrangement is accepted, but one of the installments is not paid on time, the payment arrangement loses its effect and total tax debt is due immediately.</p>

Questions	Answers
<p>If yes:</p> <p>2. Deferral of current liabilities?</p> <ul style="list-style-type: none"> <li>• Did this policy consist solely of relaxing payment arrangements (e.g., longer payment terms and/or lower access conditions), or did this arrangement include not requiring companies to pay their current tax obligations for a certain period of time?</li> </ul> <p>If the latter:</p> <ul style="list-style-type: none"> <li>o What were (or are) the conditions for obtaining (and possibly extending) this form of payment deferral?</li> <li>o How long was the period during which companies did not have to pay their taxes? Was an extension of this period possible?</li> </ul>	<p>Due to COVID-19, the Federal Ministry of Finance (BMF) has issued information according to which the tax offices, in the case of above-mentioned deferral requests, "shall take into account the special situation that has arisen in the individual case due to the occurrence of the SARS-CoV-2 virus" and "shall process the request [...] immediately". In addition, the tax offices "[b]ecause of the concrete affectedness [...] have to grant a deferral until September 30, 2020 [...] at the latest." The BMF has also created a separate form (SR 1-CoV) to be used specifically for COVID-19-related payment deferrals. Another form has been issued (SR 3-CoV) for requests for deferral of tax arrears through June 30, 2021. Although applications by e-mail are not procedurally considered as submissions within the meaning of Section 85 BAO, the BMF has issued the information that this form can also be sent by e-mail until June 30, 2021. The policy was later on reintroduced for the period between November 22, 2021 and January 31, 2022.</p> <p>The above mentioned information regarding the changes of the policy issued by the BMF was later on included formally in the law. Additionally, if the payment deferral was granted after March 15, 2021 and the deferral period initially ended on September 30 or October 1, 2020, the deferral period was extended until June 30, 2021.</p> <p>Furthermore, a special rule for deferral interest was created in Section 323c (13) BAO. Accordingly, no deferral interest is to be claimed for the two periods</p> <ul style="list-style-type: none"> <li>- March 15, 2020 and June 30, 2021</li> <li>- November 22, 2021 and January 31, 2022.</li> </ul> <p>Additionally, a reduced deferral interest (2% instead of 4,5% above the base rate per year) was standardized for the period from July 1, 2021 until November 21, 2021 and February 1, 2022 until June 30, 2024.</p> <p>For the conditions of payment deferrals please see our response to question 1.</p>

Questions	Answers
<p>. 3. Payment arrangement / settlement of tax debt</p> <ul style="list-style-type: none"> <li>• Did this policy entail a relaxation of the usual payment arrangements (e.g. longer payment period and/or lower entry conditions)?</li> </ul> <p>If yes,</p> <ul style="list-style-type: none"> <li>o What were (were) the conditions for obtaining (and possibly extending) this wider payment arrangement? What conditions would apply under normal circumstances (i.e. without relaxed policy related to COVID-19)?</li> <li>o From what point should or have businesses started to pay off their tax debt accrued under this relaxed regime?</li> <li>o What is the maximum time period within which the companies have to pay off the tax debt accrued under the relaxed policy? What would be the time limit under normal circumstances (i.e. without relaxed policy due to COVID-19)?</li> </ul>	<p>Due to the COVID-19 crisis an additional installment payment model was created within Section 323e BAO . The payment arrangement allows for the installment of taxes that have been due between March 15, 2020 and June 30, 2021 if the taxpayer is not able to pay them on time due to the COVID 19 crisis. The latter is (irrefutably) presumed if more than 50% of the taxes due became due between March 15, 2020 and June 30, 2021.</p> <p>The payment arrangement is structured in two phases. For phase I, an application for payment by installments was to be submitted from June 10, 2021 to June 30, 2021. The tax authority should have no leeway in this regard. The installment payment period for the phase I ends on September 30, 2022. Within this period, the tax payment must be made in "reasonable" installments, whereby a "safety car phase" is intended, according to which the repayment of at least 1% of the total tax debt is sufficient for the first three months. Except for the requirements to qualify for this special regime, the general rules (see remarks on question 1) apply.</p> <p>If the tax debt cannot be completely paid in phase I, taxpayers can extend the payment arrangement to phase II by filing a request until August 31, 2022. However, this requires that at least 40% of the predominantly COVID-19-related tax debt have been paid in phase I and that all tax payments have been made on time in phase I. In addition, it must be shown credibly that the remaining tax arrears and the taxes to be paid on an ongoing basis can be reduced within the requested installment payment period. If the requirements are met, a further installment payment period of max 21 months is available, so that the tax debt must be paid by June 30, 2024 at the latest.</p> <p>Except for the requirements to qualify for this special regime, the general rules (see remarks on question 1) apply.</p> <p>In phase I, the taxpayer has two possibilities and in phase II one possibility to request for a change of the payment arrangement within the above mentioned framework.</p> <p>For the deferral period, late payment interest in the amount of (only) 2% (instead of 4.5%) above the base interest rate have to be paid.</p> <p>For the differences to the "normal regime", please see our remarks to question 1.</p>

 Belgium (1/3)

Questions	Answers
<p>1. Has your country relaxed its policy on granting deferral of payment of taxes to entrepreneurs/companies in connection with COVID-19?</p> <p>If yes:</p> <p>2. Deferral of current liabilities?</p> <ul style="list-style-type: none"><li>• Did this policy consist solely of relaxing payment arrangements (e.g., longer payment terms and/or lower access conditions), or did this arrangement include not requiring companies to pay their current tax obligations for a certain period of time? If the latter:</li></ul> <p>o What were (or are) the conditions for obtaining (and possibly extending) this form of payment deferral?</p> <p>o How long was the period during which companies did not have to pay their taxes? Was an extension of this period possible?</p>	<p>1. Yes</p> <p>2. The deadline for paying taxes was automatically extended by 2 months. This applied to income taxes related to 2019 and assessed between 12 March 2020 and 31 October 2020 as well as to VAT and wage withholding taxes related to February/March/April 2020 for monthly filers and Q1 2020 for quarterly filers. The December advance for VAT and wage WHT purposes related to December 2020 for monthly filers and Q4 2020 for quarterly filers was abolished.</p> <p>There were no specific conditions, as the deadline deferral applied in all cases (as it were “automatic”); for details see above.</p> <p>2 months; see above. No extension was possible, as it was a one-off measure.</p>

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 Belgium (3/3)

Questions	Answers
<p>If yes,</p> <ul style="list-style-type: none"><li>o What were (were) the conditions for obtaining (and possibly extending) this wider payment arrangement? What conditions would apply under normal circumstances (i.e. without relaxed policy related to COVID-19)?</li><li>o From what point should or have businesses started to pay off their tax debt accrued under this relaxed regime?</li><li>o What is the maximum time period within which the companies have to pay off the tax debt accrued under the relaxed policy?</li></ul> <p>What would be the time limit under normal circumstances (i.e. without relaxed policy due to COVID-19)?</p> <p>.</p>	<p>The conditions for each situation are set out above (see sub-headings above).</p> <p>There is not one general point in time under the Covid-19-specific payment arrangements when payments have to start. The starting date is determined in each payment arrangement separately.</p> <p>Under the Covid-19-specific payment arrangements, the maximum delay is generally 24 months, but in exceptional circumstances 36 or even 50 months (see above).</p> <p>Under normal circumstances, the payment period cannot exceed 12 months.</p>

Questions	Answers
<p>1. Has your country relaxed its policy on granting deferral of payment of taxes to entrepreneurs/companies in connection with COVID-19?</p> <p>If yes:</p> <p>2. Deferral of current liabilities?</p> <ul style="list-style-type: none"> <li>• Did this policy consist solely of relaxing payment arrangements (e.g., longer payment terms and/or lower access conditions), or did this arrangement include not requiring companies to pay their current tax obligations for a certain period of time? If the latter: <ul style="list-style-type: none"> <li>o What were (or are) the conditions for obtaining (and possibly extending) this form of payment deferral?</li> <li>o How long was the period during which companies did not have to pay their taxes? Was an extension of this period possible?</li> </ul> </li> </ul> <p>3. Payment arrangement / settlement of tax debt</p> <ul style="list-style-type: none"> <li>• Did this policy entail a relaxation of the usual payment arrangements (e.g. longer payment period and/or lower entry conditions)?</li> </ul> <p>If yes,</p> <ul style="list-style-type: none"> <li>o What were (were) the conditions for obtaining (and possibly extending) this wider payment arrangement? What conditions would apply under normal circumstances (i.e. without relaxed policy related to COVID-19)?</li> <li>o From what point should or have businesses started to pay off their tax debt accrued under this relaxed regime?</li> <li>o What is the maximum time period within which the companies have to pay off the tax debt accrued under the relaxed policy? What would be the time limit under normal circumstances (i.e. without relaxed policy due to COVID-19)?</li> </ul>	<p>1.1 Yes. Denmark has granted deferral of payment of taxes to companies in connection with COVID-19. The Danish policy consists of relaxing payment arrangements, providing longer payment terms regard-ing VAT and PAYE.</p> <p>1.2 Retained PAYE tax and labour market contribution for April, May, June, August, September, October 2020 was postponed with 5 months. For April and May 2021, the payment was postponed with 5 months as well. VAT payable for March, April and May 2020, was postponed with 1 month.</p> <p>1.3 Denmark has not relaxed the time of payment of the corporate income tax (CIT). However, a temporary increase of the deduction for expenditures on research and development is allowed. Expenses used on research and development can, during the financial years 2020 to 2022 be deducted with 130 %. The extra deduction is capped at a tax value of DKK 50 million extra deduction.</p> <p><b>2 PAYMENT ARRANGEMENT / FURTHER INITIATIVES</b></p> <p>Interest-free loans</p> <p>2.1 During COVID-19 it was possible to obtain an interest-free VAT loan or a payroll tax loan, corresponding to a part of the company's stated tax liability in a settlement period. The company had to – or have to – repay their loans via its tax account. The deadline is either 1 April 2022 or 1 November 2022 depending on which settlement period the loan corresponds to.</p> <p>2.2 During COVID-19 it was also possible to obtain an interest-free tax loan, corresponding to reported and retained PAYE tax and labour-market contribution. The company must repay the loan 1 November 2022 via its tax account.</p>



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<p>1. Has your country relaxed its policy on granting deferral of payment of taxes to entrepreneurs/companies in connection with COVID-19?</p> <p>If yes:</p> <p>2. Deferral of current liabilities?</p> <ul style="list-style-type: none"> <li>• Did this policy consist solely of relaxing payment arrangements (e.g., longer payment terms and/or lower access conditions), or did this arrangement include not requiring companies to pay their current tax obligations for a certain period of time? If the latter: <ul style="list-style-type: none"> <li>o What were (or are) the conditions for obtaining (and possibly extending) this form of payment deferral?</li> <li>o How long was the period during which companies did not have to pay their taxes? Was an extension of this period possible?</li> </ul> </li> </ul> <p>3. Payment arrangement / settlement of tax debt</p> <ul style="list-style-type: none"> <li>• Did this policy entail a relaxation of the usual payment arrangements (e.g. longer payment period and/or lower entry conditions)?</li> </ul> <p>If yes,</p> <ul style="list-style-type: none"> <li>o What were (were) the conditions for obtaining (and possibly extending) this wider payment arrangement? What conditions would apply under normal circumstances (i.e. without relaxed policy related to COVID-19)?</li> <li>o From what point should or have businesses started to pay off their tax debt accrued under this relaxed regime?</li> <li>o What is the maximum time period within which the companies have to pay off the tax debt accrued under the relaxed policy? What would be the time limit under normal circumstances (i.e. without relaxed policy due to COVID-19)?</li> </ul>	<p>.</p> <p>Company tax account</p> <p>2.3 The company tax account was changed – the usual limit of DKK 200,000 for companies' tax account balance was increased to DKK 10 million on 17 March 2020. On 30 April 2020, the limit was further in-creased to DKK 100 billion. The increase to DKK 100 billion was in place from 7 May 2020 until 1 April 2021. With the increased limit, companies had an increased possibility to insert an amount on the Company tax account to avoid negative interest and at the same time ease the pressure on the public finances to insert an unlimited amount on the Company tax account in order to avoid negative interest.</p> <p>Green tax reform</p> <p>2.4 To support the businesses recover from the COVID-19 crisis and accelerate the green transition, Den-mark introduced amendments to energy taxation, but also the following Corporate Tax aspects:</p> <p>An "investment window" where companies can depreciate up to 116% of the acquisition amount for operating equipment. The investment window is open in the period 23 November 2020 – 31 December 2022. The investment window applies to all types of new operating equipment except machinery etc., which runs on fossil fuels. Further, there are some specific requirements related to cars. The increased basis for depreciation is not applicable for assets, which have been written off immediately.</p> <p>The limit for immediate write-offs for tax purposes was increased from DKK 14,100 to DKK 31,000. (2022-level) The increase is general and should apply to all types of operating equipment.</p>

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<p>1. Has your country relaxed its policy on granting deferral of payment of taxes to entrepreneurs/companies in connection with COVID-19?</p> <p>If yes:</p> <p>2. Deferral of current liabilities?</p> <ul style="list-style-type: none"> <li>• Did this policy consist solely of relaxing payment arrangements (e.g., longer payment terms and/or lower access conditions), or did this arrangement include not requiring companies to pay their current tax obligations for a certain period of time? If the latter: <ul style="list-style-type: none"> <li>o What were (or are) the conditions for obtaining (and possibly extending) this form of payment deferral?</li> <li>o How long was the period during which companies did not have to pay their taxes? Was an extension of this period possible?</li> </ul> </li> </ul> <p>3. Payment arrangement / settlement of tax debt</p> <ul style="list-style-type: none"> <li>• Did this policy entail a relaxation of the usual payment arrangements (e.g. longer payment period and/or lower entry conditions)?</li> </ul> <p>If yes,</p> <ul style="list-style-type: none"> <li>o What were (were) the conditions for obtaining (and possibly extending) this wider payment arrangement? What conditions would apply under normal circumstances (i.e. without relaxed policy related to COVID-19)?</li> <li>o From what point should or have businesses started to pay off their tax debt accrued under this relaxed regime?</li> <li>o What is the maximum time period within which the companies have to pay off the tax debt accrued under the relaxed policy? What would be the time limit under normal circumstances (i.e. without relaxed policy due to COVID-19)?</li> </ul>	<p>1. Yes</p> <p>2. The policies applicable in France on the tax payment consisted, in substance, in the following measures: (1) extending the deadline for filing some tax returns and paying the related tax due, (2) offering payment deferrals for direct taxes, (3) granting tax rebates (“remises d’impôt”) for direct taxes to companies upon request and under particular circumstances and (4) setting up specific tax debt settlement plans (“plans de règlement des dettes fiscales”) for direct taxes.</p> <p>We understand that the following questions relate to (i) payment deferrals (“report des échéances de paiement de l’impôt”) and (ii) tax rebates. The specific debt settlement plans are addressed in question 3.</p> <p>What were (or are) the conditions for obtaining (and possibly extending) this form of payment deferral?</p> <p>Most payment deferrals were granted without justifications, upon request with the competent tax center by submitting a simplified form. However, “large companies” (i.e. those employing more than 5,000 people or with a turnover above EUR 1.5 billion in France) had to commit not to distribute dividends or carry-out shares buybacks in 2020. The FTA had the possibility to reject the request if it was clearly unjustified with regard to the activity carried out. Some payment deferrals also applied automatically with respect to certain activities (mainly tourism or hotel industry).</p> <p>With regard to tax rebates for direct taxes, companies were required to file a request with the French Tax Authorities (“FTA”) mentioning some information regarding their monthly turnover, their debt and cash flow positions as well as any other relevant elements that may justify a rebate. Tax rebates were granted at the discretion of the FTA on a case-by-case basis and only to companies facing extreme financial difficulties that could not be overcome through deferral of payments. In order to obtain a rebate, “large companies” also had to commit not to distribute dividends or carry out share buybacks.</p>

Questions	Answers
<p>3. Payment arrangement / settlement of tax debt</p> <ul style="list-style-type: none"> <li>• Did this policy entail a relaxation of the usual payment arrangements (e.g. longer payment period and/or lower entry conditions)?</li> </ul> <p>If yes,</p> <ul style="list-style-type: none"> <li>o What were (were) the conditions for obtaining (and possibly extending) this wider payment arrangement? What conditions would apply under normal circumstances (i.e. without relaxed policy related to COVID-19)?</li> </ul>	<p>How long was the period during which companies did not have to pay their taxes? Was an extension of this period possible? The payment of taxes was generally postponed for up to 3 months and was only applicable over a specific period of time . Some deferrals were granted for a period of 6 months (business property tax). No interest or penalty for late payment applied. As regards tax rebates, they were granted on a case-by-case basis. In the context of the COVID-19 pandemic, the deferral of payments of French taxes were applicable during the year 2020.</p> <p>The periods of time were not the same for the various French taxes, e.g.:</p> <ul style="list-style-type: none"> <li>- Possibility to postpone the payment of direct taxes due in March, April and May 2020 for a period of 3 months;</li> <li>- Possibility to suspend the monthly payment of the business property tax (“CFE”) as from June 2020 until 15 December 2020;</li> <li>- Possibility to postpone the payment of property tax (“<i>taxe foncière</i>”) due for 15 October 2020 for a period of 3 months.</li> </ul> <p>3. Payment arrangement / settlement of tax debt</p> <p>We understand that this question specifically relates to debt settlement plans (“<i>plans de règlement des dettes fiscales</i>”).</p> <p>Did this policy entail a relaxation of the usual payment arrangements (e.g. longer payment period and/or lower entry conditions)?</p> <p>Yes, specific tax debt settlement plans were implemented by the FTA in the context of the COVID-19 crisis.</p> <p>Benefitting from the specific COVID-19 tax debt settlement plans was subject to several conditions, like being a small or medium enterprise [“SMEs”] (or an individual carrying out an economic activity), having started its activity no later than 31 December 2019, being up to date with its tax obligations, having requested a deferral of payment from its private creditors and providing guarantees if the plan exceeds a certain period of time. Tax debt settlement plans were not available for taxes due as a result of a tax audit.</p> <p>Out of a COVID-19 context, tax debt settlement plans are open in a broad manner to companies (SMEs or not) and individuals (carrying or not an economic activity). Guarantees must be provided by companies regardless the duration of the plan. The above “COVID-19” conditions do not apply to the usual tax debt settlement plans, there are other conditions. It should also be noted that tax debt settlement plans are available for taxes due as a result of a tax audit.</p>

 France (3/3)

Questions	Answers
<p>3. Payment arrangement / settlement of tax debt</p> <ul style="list-style-type: none"><li>o From what point should or have businesses started to pay off their tax debt accrued under this relaxed regime?</li><li>o What is the maximum time period within which the companies have to pay off the tax debt accrued under the relaxed policy?</li></ul> <p>What would be the time limit under normal circumstances (i.e. without relaxed policy due to COVID-19)?</p>	<p>The schedule was decided by the FTA on a case-by-case basis and was based on the company's debt ratio.</p> <p>The maximum length of a tax debt settlement plan under the COVID-19 policy is 36 months.</p> <p>The FTA guidelines indicate that a tax debt settlement plan cannot exceed 2 years for companies. It might be different for individuals but there are no further guidelines on this specific item.</p>



# Germany (1/3)

Questions	Answers
<p>1. Has your country relaxed its policy on granting deferral of payment of taxes to entrepreneurs/companies in connection with COVID-19?</p> <p>If yes:</p> <p>2. Deferral of current liabilities?</p> <ul style="list-style-type: none"> <li>• Did this policy consist solely of relaxing payment arrangements (e.g., longer payment terms and/or lower access conditions), or did this arrangement include not requiring companies to pay their current tax obligations for a certain period of time? If the latter: <ul style="list-style-type: none"> <li>o What were (or are) the conditions for obtaining (and possibly extending) this form of payment deferral?</li> <li>o How long was the period during which companies did not have to pay their taxes? Was an extension of this period possible?</li> </ul> </li> </ul>	<p>1. Yes</p> <p>2. The Federal Ministry of Finance, in cooperation with the supreme tax authorities of the states, has relaxed its deferral policy for entrepreneurs in connection with COVID-19.</p> <p>The deferral policy was, and still is, that companies did not and don't have to pay their current tax obligations for a certain period of time. The prerequisite is that the taxpayer was and is demonstrably directly and not insignificantly affected by the COVID-19 crisis. Based on the developments during the crisis, it can be assumed that a very large number of industries and individuals were and are affected to a not insignificant extent by the effects of the COVID-19 crisis. The tax authorities only needed plausible information from the taxpayer that the COVID-19 crisis has severely affected its economic situation. Therefore, the administrative guidelines are not addressed to specific groups of addressees and apply to all taxpayers.</p> <p><u>1. Deferral in simplified procedure</u></p> <ul style="list-style-type: none"> <li>• Taxpayers who suffer(ed) direct and not insignificant economic damage as a result of the COVID-19 crisis could apply by March 31, 2022 for a deferral of taxes already due or due by March 31, 2022 (income tax, corporate income tax, trade tax, VAT, church tax, solidarity surcharge). The taxes can then be deferred in a simplified procedure until June 30, 2022 at the latest.</li> </ul> <p>In this context, no strict requirements are imposed on the presentation of the deferral prerequisites if a connection with the COVID-19 can be identified. In the case of taxes already due, the application could only be submitted after they have been assessed.</p> <ul style="list-style-type: none"> <li>• In principle, deferrals are initially granted for 3 months without specifying a requested deferral period. In the cases referred to in section (1), follow-up deferrals may be granted beyond June 30, 2022 for taxes due by March 31, 2022, in connection with an appropriate installment payment agreement lasting until September 30, 2022 at the latest.</li> </ul>

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 Germany (3/3)

Questions	Answers
	<p><u>4 Deferral, stay of execution and adjustment of advance payments in other cases</u></p> <ul style="list-style-type: none"><li>• The general principles and evidence requirements apply to applications for (follow-up) deferral or deferral of enforcement outside clauses 1 – 2 and to adjustments of advance payments outside clause 3. This also applies to installment payment agreements beyond September 30, 2022.</li><li>• In the case of deferrals of taxes due after March 31, 2022, or for which deferral is requested after March 31, 2022, also the general principles and evidence requirements for deferrals apply. In particular, information/documents regarding the economic circumstances are required. The decision on the period of deferral is at the discretion of the relevant tax office in each individual case. Individual needs and the respective situation are taken into account.</li></ul>

Questions	Answers
<p>1. Has your country relaxed its policy on granting deferral of payment of taxes to entrepreneurs/companies in connection with COVID-19?</p> <p>If yes:</p> <p>2. Deferral of current liabilities?</p> <ul style="list-style-type: none"> <li>• Did this policy consist solely of relaxing payment arrangements (e.g., longer payment terms and/or lower access conditions), or did this arrangement include not requiring companies to pay their current tax obligations for a certain period of time?</li> </ul> <p>If the latter:</p> <ul style="list-style-type: none"> <li>o What were (or are) the conditions for obtaining (and possibly extending) this form of payment deferral?</li> <li>o How long was the period during which companies did not have to pay their taxes? Was an extension of this period possible?</li> </ul>	<p>1. Yes. Throughout the pandemic, the Italian Government introduced a wide variety of measures to help individuals and companies coping with the COVID-19 crisis, creating a very fragmented and complicated landscape. Those measures – ranging from the allocation of grants/tax credits provided certain conditions applied, to reduced VAT rate for supplies of medical devices, to the possibility of stepping up certain assets for statutory and tax purposes, or the suspension of the tax audit and collection activity by the Italian Tax Authorities in a given period of time – also included the deferral of payment of taxes to entrepreneurs/companies.</p> <p>2. Deferral of current liabilities</p> <p>These policies mostly consisted of relaxing payment arrangements in terms of extended deadlines with respect to tax liabilities anyhow crystallized according to the normal calendar/schedule, whilst the fact of not requiring companies to pay their current tax obligations did not concern a certain period of time but some very specific instalments.</p> <p>In this respect, the most significant measure was introduced by the Relaunch Decree (i.e. Law Decree 34/2020) and concerned the cancellation of the following payments in relation to IRAP (i.e. regional business tax ordinarily levied at 3.9% rate):</p> <ul style="list-style-type: none"> <li>- the balance for FY 2019;</li> <li>- the first instalment for FY 2020.</li> </ul> <p>This IRAP cancellation could be automatically taken by taxpayers by filling in the relevant sections of the tax returns. Eligible taxpayers were: (i) companies with revenues of up to EUR 250 million and (ii) self-employed workers with revenues of up to EUR 250 million – banks, financial institutions, insurance companies, public administrations or public entities excluded.</p> <p>Not applicable</p> <p>Not applicable</p>



Questions	Answers
<p>3. Payment arrangement / settlement of tax debt</p> <ul style="list-style-type: none"> <li>• Did this policy entail a relaxation of the usual payment arrangements (e.g. longer payment period and/or lower entry conditions)?</li> </ul> <p>If yes,</p> <ul style="list-style-type: none"> <li>o What were (were) the conditions for obtaining (and possibly extending) this wider payment arrangement? What conditions would apply under normal circumstances (i.e. without relaxed policy related to COVID-19)?</li> <li>o From what point should or have businesses started to pay off their tax debt accrued under this relaxed regime?</li> <li>o What is the maximum time period within which the companies have to pay off the tax debt accrued under the relaxed policy? What would be the time limit under normal circumstances (i.e. without relaxed policy due to COVID-19)?</li> </ul>	<p>Yes, throughout 2020, several payment deadlines relating to value added tax (VAT), withholding tax (WHT), social security contributions, insurance premiums, corporate income tax (IRES) and digital service tax (DST) were postponed.</p> <p>As mentioned above, the landscape was very fragmented and conditions, extension and specific details depended on the single measure. Below are the most relevant ones.</p> <p><b>Tax payment deferral for falls in turnover</b> – Payments of WHT on wages of employees and equivalent workers, VAT, social security and welfare contributions, and INAIL insurance premiums, due in April and May 2020 could be paid in a lump sum by 16 September 2020, or in equal monthly installments starting from 16 September, without any interest or penalties. Alternatively, the 50% of the suspended amounts could be paid all at once by 16 September 2020 or divided into a maximum of four installments starting from 16 September 2020. The remaining 50% could be paid without interest and penalties, in up to 24 installments with the first one no later than 16 January 2021. This remaining 50% could be paid in one payment or in monthly equal instalments, from 2 to a maximum of 24. To qualify, taxpayers needed to have fiscal domicile, registered office or operations centre in Italy and be:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> businesses or professionals with revenues less than EUR 50 million in the previous FY, if there was a reduction in turnover of at least 33% in March or April 2020 when compared to March or April 2019, respectively;</li> <li><input type="checkbox"/> businesses or professionals with revenues greater than EUR 50 million in the previous FY, if there was a reduction in turnover of at least 50% in March or April 2020 when compared to March or April 2019, respectively;</li> <li><input type="checkbox"/> businesses or professionals that started up after 31 March 2019;</li> <li><input type="checkbox"/> in the case of businesses whose tax residence, registered office or place of business was in the province of Bergamo, Brescia, Cremona, Lodi or Piacenza, the deferral of VAT payments for April and May was subject to one condition only: having suffered a fall in turnover of at least 33%, irrespective of revenues.</li> </ul>

Questions	Answers
	<p><b>Tax payment deferral for taxpayers with a turnover below EUR 2 million</b> – Payments for WHT on wages, VAT, payments of social security contributions and insurance premiums due between 8 March and 31 March could be made in a lump sum by 16 September 2020, or in equal monthly installments starting from September, without any interest or penalties. Alternatively, the 50% of the suspended amounts could be paid all at once by 16 September 2020 or divided into a maximum of four installments starting from 16 September 2020. The remaining 50% could be paid without interest and penalties, in up to 24 installments with the first one no later than 16 January 2021.</p> <p><b>Withholding tax payment deferral for taxpayers with a turnover of less than EUR 400K</b> – Taxpayers with (i) a fiscal domicile, registered office or operations center in Italy, and (ii) a turnover of less than EUR 400K in the FY preceding that in which the decree came into effect, would not be subject to WHT on revenue or equivalent income received between 17 March 2020 and 31 May 2020 (provided they had no employee or employee-equivalent costs/expenses in the previous month). The tax not levied by withholding agents could be paid directly by the taxpayer in one lump sum by 16 September 2020 or in up to four equal monthly installments (the first installment was due by 16 September 2020).</p> <p><b>Advance installments falling in June 2020</b> – Underpayments of advance installments of individual income tax, IRES and IRAP (calculated on provisional 2020 results rather than with the historical method) did not trigger any penalties or interest, provided that the difference between the payment and the amount due was not more than 20%.</p> <p><b>Extension of payment deadline</b> – Payments to the public administration, falling due on 16 March 2020 and previously postponed until 20 March 2020, were considered timely if made by 16 April 2020.</p> <p><b>DST</b> – The deadline for the payment of the DST due for FY2020 was extended from 16 February 2021 to 16 May 2021.</p>

Questions	Answers
	<p><b>IRES and IRAP</b> – The deadline for the second advance payment of individual income tax, IRES and IRAP was generally extended from 30 November 2020 to 10 December 2020. Such second advance payment was further extended to 30 April 2021 for qualifying enterprises that:</p> <ul style="list-style-type: none"><li><input type="checkbox"/> had revenues of up to EUR 50 million in FY 2019 and suffered a reduction of their turnover of at least 33% in the first 6 months of 2020, compared to the same period in 2019, provided that they did fall within the scope of application of the so-called ISA; or</li><li><input type="checkbox"/> had to temporarily suspend their business activities due to the restrictions introduced to contain the COVID-19 pandemic.</li></ul> <p>A similar extension for small companies was also provided for IRES and IRAP payments expiring on 30 June 2021.</p> <p><b>Additional tax payment deferral</b></p> <p>Social security contributions, WHT and VAT payments due in December 2020 could be paid in a lump sum by 16 March 2021 or in up to four equal monthly instalments starting from 16 March 2021. To qualify, taxpayers needed to:</p> <ul style="list-style-type: none"><li><input type="checkbox"/> have had revenues of up to EUR 50 million in FY 2019 and have suffered a reduction of their turnover of at least 33% in November 2020, compared to November 2019;</li><li><input type="checkbox"/> have started their business activities after 30 November 2019; or</li><li><input type="checkbox"/> have had to temporarily suspend their business activities due to the restrictions introduced to contain the COVID-19 pandemic.</li></ul>

Questions	Answers
<p>1. Has your country relaxed its policy on granting deferral of payment of taxes to entrepreneurs/companies in connection with COVID-19?</p> <p>If yes:</p> <p>2. Deferral of current liabilities?</p> <ul style="list-style-type: none"> <li>• Did this policy consist solely of relaxing payment arrangements (e.g., longer payment terms and/or lower access conditions), or did this arrangement include not requiring companies to pay their current tax obligations for a certain period of time? If the latter:</li> </ul> <p>o What were (or are) the conditions for obtaining (and possibly extending) this form of payment deferral?</p>	<p>1. Yes. As a consequence of COVID 19, the Spanish Government approved the Royal Decree 463/2020 that declared the state of alarm in order to face the situation of health emergency caused by the coronavirus COVID-19. The Royal Decree came into force at the time of its publication in the Official State Gazette, issued on Saturday, March 14, 2020.</p> <p>As a consequence of the above, the Government approved also a series of measures aimed at alleviating the negative effects of this situation on the different sectors.</p> <ul style="list-style-type: none"> <li>• In order to support the self-employed and small and medium-sized (SMEs) companies, the Spanish Government approved through certain measures to reduce the tax burden on taxpayers. In this regard, the possibility of requesting the deferral of the payment of an overdue tax debt was approved, under the fulfillment of strict requirements. In any case, the taxpayers that could apply for the deferral were obliged to file the tax returns within the legal deadlines and after apply for the payment deferral.</li> <li>• Conditions to be fulfilled: <ul style="list-style-type: none"> <li>The necessary requirements to be able to obtain the payment deadline extension were: <ol style="list-style-type: none"> <li>1. to be a taxpayer (individuals and/or legal entities) with a turnover in the FY 2019 of less than 6,010,121.04 euros.</li> <li>2. Applicable to debts with an amount of less than 30,000 euros.</li> <li>3. Applicable to tax returns whose deadline for filing and payment was from March 13 to May 30, 2020. Also, the Spanish Government approved another extension for tax returns whose deadline for filing and payment was from April 1, 2021 until April 30, 2021. In this case, the condition set forth in point 1 was referred to FY 2020.</li> <li>4. To prove an economic-financial situation that temporarily prevents the payment from being made within the established period.</li> </ol> </li> </ul> </li> <li>• All taxpayers who met the requirements above could defer the payment of certain tax debts without the need to provide any guarantee. It should be noted that this deferral was also applicable to certain tax debts that under normal circumstances are excluded from this possibility. Specifically, it was allowed to defer debts related to: <ul style="list-style-type: none"> <li>o Withholdings or payments on account.</li> <li>o Those derived from taxes that must be legally passed on, such as VAT.</li> <li>o Corporate Income Tax (CIT) installment payments.</li> </ul> </li> </ul>

Questions	Answers
<p>o How long was the period during which companies did not have to pay their taxes? Was an extension of this period possible?</p>	<p><u>Other measures:</u></p> <p>On the other hand, the deadline for the preparation of the annual accounts was extended, ending on August 31, 2020. Although the deadline for filing CIT returns (25 calendar days after the end of the six-month period following the end of the tax period, i.e. 25 of July for taxpayers which calendar FY) was not extended, the government allowed taxpayers who had been unable to approve their annual accounts prior to the CIT filing deadline to file their CIT return with the annual accounts "available" at that date. In this event a second CIT return was to be filed once the accounts were approved. The deadline for filing this second return was 30 November 2020. In this regard, late-payment interest accrued on the additional amount payable, if any, resulting from this supplementary CIT return. However, no late-filing surcharges were to be accrued. Conversely, if an amount were to be refunded to the taxpayer by the difference between the first and the second CIT return, late-payment interest would accrue in favor of the taxpayer.</p> <p>The deferral was granted for a maximum fixed term of <b>six months</b>. No extension was foreseen.</p> <p>No interest for late payment was accrued during the first <b>three months</b> of deferral. Notwithstanding, this non-bearing interest period was extended to <b>four months</b>. Thus, for the remainder of the period (two months), interest for late payment was accrued.</p> <p>Please refer to the following link of the Tax Agency website in which the Tax Authorities explain that the tax savings obtained by the taxpayer as a result of the absence of interest on late payments are considered to comply with Community rules and compatible with the internal market, having the status of State aid: <a href="#">Tax Agency: State aid nature of tax debt deferrals governed by the Royal Decree-L... (agenciatributaria.gob.es)</a></p> <p>All these measures are of a <b>temporary nature</b>. As of today (2022) they are no longer in force.</p> <p><u>Tax measures in "foral territories":</u></p> <p>In Spain, there are certain territories -the so-called "territories forales" (i.e. the three regions of the Autonomous Community of the Basque Country and the Foral Community of Navarre)- that are governed under special regimes. Specifically, these special "foral regimes" are characterized because they grant to said territories the power to maintain, establish and regulate their tax regime. In general terms, companies that are resident in said territories are able to apply the special tax regimes of the corresponding territory. However, entities that are resident in the common territory are governed by the state legislation and hence, not able to apply the special tax regimes.</p>

Questions	Answers
<p><u>3. Payment arrangement / settlement of tax debt</u></p> <ul style="list-style-type: none"> <li>• Did this policy entail a relaxation of the usual payment arrangements (e.g. longer payment period and/or lower entry conditions)?</li> <li>If yes,</li> <li>o What were (were) the conditions for obtaining (and possibly extending) this wider payment arrangement? What conditions would apply under normal circumstances (i.e. without relaxed policy related to COVID-19)?</li> </ul>	<p>As a result of COVID 19, these territories also approved certain tax measures that can be summarized as follows:</p> <p>The territory that approved the longest payment period was <b>Guipuzcoa</b>. In particular, it was approved a extraordinary deferral up to <b>2 years</b> of debts up to <b>300,000 euros</b> with a minimum initial payment of <b>20%</b>. On the contrary that on the state legislation, no subjective requirements applied.</p> <p><b>Álava:</b> deferral up to 6 months (no ceiling) for micro, small and medium-sized companies (up to 10 million euros turnover and not more than 25% owned by non-SMEs).</p> <p><b>Vizcaya:</b> automatic deferral without interest or guarantees for 3 months for micro and SMEs (similar to Alava).</p> <p><b>Navarra:</b> 3-month interest-free deferral for companies with a volume of less than 6 million euros.</p> <p>Apart from the specific COVID measures explained above, the Spanish General Tax Law allows for the deferral or fractionation of the tax debts. In this regard, tax debts may be deferred or fractioned upon request of the taxpayer, when its economic-financial situation prevents it, temporarily, from making the payment within the established deadlines.</p> <p>In general, the requirements to be able to apply for the deferral/fractionation of the tax debt are the following:</p> <p>It is required that the economic-financial situation of the debtor temporarily prevents him/her from paying the debt in due time.</p> <p>Corresponding to credits of a public nature, (i.e., tax debts and penalties), unless prohibited by law (there are certain tax debts that cannot be deferred or fractionation, for example: withholdings and payments on account, installment payments of CIT, etc.).</p> <p>Debts must be guaranteed when they exceed the limit of 30,000 euros (there are some exceptions).</p> <p>The setting of deadlines is a discretionary power of the Spanish Tax Administration (STA), although internal guidelines are published.</p> <p>Interest on late payment is accrued both in fractionation and deferment.</p>

 Spain (4/4)

Questions	Answers
<ul style="list-style-type: none"><li>o From what point should or have businesses started to pay off their tax debt accrued under this relaxed regime?</li> <li>o What is the maximum time period within which the companies have to pay off the tax debt accrued under the relaxed policy? What would be the time limit under normal circumstances (i.e. without relaxed policy due to COVID-19)?</li></ul>	<ul style="list-style-type: none"><li>• Both tax debts in the voluntary period and those in the enforcement period are eligible for this deferral.</li> <li>• Under normal circumstances, the STA will provide the taxpayer with a payment schedule. This schedule will vary depending on the debt and the type of taxpayer according to the following parameters:<ul style="list-style-type: none"><li>• For debts below 30,000 euros: 12 months for individuals persons; and 6 months for legal entities.</li><li>• For debts over 30,000 euros: the maximum period of deferral is 36 months (without distinguishing between natural or legal person).</li></ul></li></ul>

Questions	Answers
<p>1. Has your country relaxed its policy on granting deferral of payment of taxes to entrepreneurs/companies in connection with COVID-19?</p> <p>If yes:</p> <p>2. Deferral of current liabilities?</p> <ul style="list-style-type: none"> <li>• Did this policy consist solely of relaxing payment arrangements (e.g., longer payment terms and/or lower access conditions), or did this arrangement include not requiring companies to pay their current tax obligations for a certain period of time? If the latter: <ul style="list-style-type: none"> <li>o What were (or are) the conditions for obtaining (and possibly extending) this form of payment deferral?</li> </ul> </li> </ul> <p>o How long was the period during which companies did not have to pay their taxes? Was an extension of this period possible?</p>	<p>1. Yes</p> <ul style="list-style-type: none"> <li>• Companies that have been affected financially by the COVID-19 pandemic can apply for temporary payment respite/deferral in connection with employer contributions, deducted tax on wages and VAT.</li> <li>• The main rule is that all companies that have been affected financially by the COVID-19 pandemic and therefore need the temporary payment respite, should get the application approved, unless there are special reasons to the contrary. Special reasons are, for example, that the company already has large tax debts or mismanages its finances. That is, if there is a risk that the applicant will not be able to continue its activities, or will terminate it without being able to pay all its debts. Special reasons for refusing a deferral are also considered to exist if there are circumstances that may lead to the applicant's approval for so called F-tax being revoked. A corresponding assessment must also be made for those who do not have approval for F-tax. The question arises how do the tax authorities test if a company has been financially affected by the pandemic? And is this considered a strict test? Firstly, it is difficult to say exactly how the Swedish Tax Agency makes the assessments since this is a quite new regulation. The understanding is however that the starting point for the Tax Agency should be that all companies have in some way been financially affected by the pandemic and that all companies therefore should get the application approved. Secondly, the understanding is, that the assessment the Swedish Tax Agency does, is therefore whether special reasons for not approving the application for payment respite applies. That is for example, as mentioned below, that the company already has large tax debts or mismanages its finances.</li> <li>• One can be granted payment deferral in connection with taxes and contributions declared during any reporting period between January 2020 and January 2021 and between October and December 2021. This applies to taxes and other charges that you declare for these months. Firstly, it's necessary to determine for how many reporting periods you can get payment respite for. The number of accounting or reporting periods for which you can be granted payment respite is determined by the length of your accounting or reporting period. For employer contributions and deducted tax which has reporting period per calendar month, you can get respite with the payment for nine reporting periods. For VAT, you can get nine periods if your reporting period is based on calendar month, three periods if your reporting period is based on calendar quarter (three months) or two periods if you reporting period is based on calendar year.</li> </ul>



Questions	Answers
<p>3. Payment arrangement / settlement of tax debt</p> <ul style="list-style-type: none"> <li>• Did this policy entail a relaxation of the usual payment arrangements (e.g. longer payment period and/or lower entry conditions)?</li> </ul>	<ul style="list-style-type: none"> <li>• Further on it is also necessary to determine how long time period the deferral is granted for. Temporary payment deferral can be granted in three stages. Initially, you can be granted temporary payment respite for up to 12 months from the date on which the Swedish Tax Agency grants the respite, but not beyond 12 February 2023 (17 January 2024 if you report VAT per full year). You can then apply for an extension for a further 12 months. This means that the respite period varies, depending on when you apply. For example, you can be granted temporary payment respite for a maximum of five months at the first stage if your respite is granted on for example 12 September 2022.</li> <li>• When your first-stage respite period comes to an end, you can apply for an extension of up to 12 months. The payment deadline will then be 12 February 2024 (17 January 2025 if you report VAT per full year). Again, the length of the respite period varies, depending on when you apply.</li> <li>• At the end of the maximum 24-month temporary payment respite period for taxes and other charges (the period may be shorter, depending on your application date), you can apply for a further extension of up to 36 months. This is subject to the condition that a payment plan is in place in connection with the temporary payment respite. You can apply for an extension six weeks before the end of the respite period at the earliest, and no later than the last day of the respite period.</li> <li>• The Swedish Tax Agency must consider an application for an extension of the deferral period in the same way as an application for deferral. This means that the temporary payment respite should be extended, unless there are special reasons to the contrary (for special reasons, see above).</li> <li>• The temporary payment respite means longer payment periods. However, during the granted respite period, the company pays interest on the tax due, as well as a payment respite fee. The level of interest and the fee is set by the Swedish National Debt Office. The current rate is 1.25 %. Interest is added to the amount for which you are granted respite. When the company eventually pays their taxes and contributions (after the respite period comes to an end), you also pay interest on them. After six months, a payment respite fee also becomes payable. This is calculated as 0.2% of the payment respite amount per calendar month from the seventh month after respite is granted until the deferred payment is due. For applications made on 5 February 2021 or later, a payment respite fee of 0,1% is charged on a calendar monthly basis from the month after payment respite is granted until the month when your deferred payment is due.</li> <li>• You pay the total interest and final payment respite fee at the same time as you pay the tax or contributions on which you have deferred payment.</li> </ul>

Questions	Answers
<p>If yes,</p> <ul style="list-style-type: none"> <li>o What were (were) the conditions for obtaining (and possibly extending) this wider payment arrangement? What conditions would apply under normal circumstances (i.e. without relaxed policy related to COVID-19)?</li>   <li>o From what point should or have businesses started to pay off their tax debt accrued under this relaxed regime?</li>   <li>o What is the maximum time period within which the companies have to pay off the tax debt accrued under the relaxed policy? What would be the time limit under normal circumstances (i.e. without relaxed policy due to COVID-19)?</li> </ul>	<ul style="list-style-type: none"> <li>• Concerning the conditions for obtaining and extending the wider payment arrangement, we refer to our answer above under the question “What were (or are) the conditions for obtaining (and possibly extending) this form of payment deferral?”</li> <li>• Payment respite was available prior to the COVID-19 pandemic, and you can still apply under the pre-existing regulations. These differ from the current rules regarding temporary payment respite. You can apply for this type of payment respite if you wish to be granted payment respite for taxes or contributions that are not covered by the regulations regarding temporary payment respite, or if you wish to be granted payment respite for a period that is not covered by the regulations regarding temporary payment respite. To be able to get the payment respite under the pre-existing regulations, you must show that exceptional circumstances apply. The term “exceptional circumstances” indicates that threshold for the requirement to be granted a deferral under the main rules is high. It is the applicant who has the burden of proof (to be compared with the deferral due to COVID-19 where the burden of proof is on the Swedish Tax Agency). Several circumstances taken together must be met in order for the requisite exceptional circumstances to be met: the payment problems must be due to an unintended event, the debtor must show temporary payment problems and the debtor must be able to show ability to pay at the end of the period. A business can be granted a respite according to the pre-existing regulation of two months at most. The Swedish Tax Agency, however, gives payment respite to businesses restrictively, so as not to harm competition.</li> <li>• When the respite period comes to an end, i.e. 12 February 2023 or 17 January 2024 if the company reports VAT per full year (provided that no extensions are applied, then it is for a further 12 months). Please see above regarding the payment period under the question “How long was the period during which companies did not have to pay their taxes? Was an extension of this period possible?”.</li> <li>• Concerning the time period under the relaxed policy, see our answer to above under question “How long was the period during which companies did not have to pay their taxes? Was an extension of this period possible?”.</li> <li>• Without the relaxed policy due to COVID-19, the payments should be made no later than the 12th each month. So for example, payments for salary and benefits paid in May, should be paid no later than June 12th. However, there is a chance for the Swedish Tax Agency to grant a deferral of payment of tax, fees and interest if there are special reasons for it. See above under the question “What were (were) the conditions for obtaining (and possibly extending) this wider payment arrangement? What conditions would apply under normal circumstances (i.e. without relaxed policy related to COVID-19)?”.</li> </ul>

Questions	Answers
<p>1. Has your country relaxed its policy on granting deferral of payment of taxes to entrepreneurs/companies in connection with COVID-19?</p> <p>If yes:</p> <p>2. Deferral of current liabilities?</p> <ul style="list-style-type: none"> <li>• Did this policy consist solely of relaxing payment arrangements (e.g., longer payment terms and/or lower access conditions), or did this arrangement include not requiring companies to pay their current tax obligations for a certain period of time? If the latter: <ul style="list-style-type: none"> <li>o What were (or are) the conditions for obtaining (and possibly extending) this form of payment deferral?</li> <li>o How long was the period during which companies did not have to pay their taxes? Was an extension of this period possible?</li> </ul> </li> </ul> <p>3. Payment arrangement / settlement of tax debt</p> <ul style="list-style-type: none"> <li>• Did this policy entail a relaxation of the usual payment arrangements (e.g. longer payment period and/or lower entry conditions)?</li> </ul> <p>If yes,</p> <ul style="list-style-type: none"> <li>o What were (were) the conditions for obtaining (and possibly extending) this wider payment arrangement? What conditions would apply under normal circumstances (i.e. without relaxed policy related to COVID-19)?</li> <li>o From what point should or have businesses started to pay off their tax debt accrued under this relaxed regime?</li> <li>o What is the maximum time period within which the companies have to pay off the tax debt accrued under the relaxed policy? What would be the time limit under normal circumstances (i.e. without relaxed policy due to COVID-19)?</li> </ul>	<p>No</p> <p>Not applicable</p> <p>Not applicable</p>

