

„COVID Gastro – Closed Establishments“ support scheme (as of 7 January 2021)

Dear Clients and Partners,

On 4 January 2021, the Czech government announced a new support scheme named **„COVID Gastro – Closed Establishments“**, which will be fully launched on 15 January 2021 (hereinafter the **„Scheme“**). In contrast to the concept originally announced by the government, financial support paid under this Scheme will be available not only to gastronomic businesses, but also to other businesses which, as ordered by the government’s restrictive measures, had to close their establishments. We would hereby like to inform you in advance about the main requirements introduced by the Scheme detailed in the call for applications published by the Ministry of Industry and Trade’s (hereinafter the **„Call“**).

1. ELIGIBLE BUSINESSES

The main requirement for all businesses which apply for support under this Scheme is a valid business license issued under the Trade Licensing Act. Licensed business activities must belong to at least one of the business sectors listed in Annex 2 to the Call which were affected by a governmental ban or another restrictive measure for at least some time between 14 October 2020 and 10 January 2021 and as a result suffered decline in liquidity or turnover.

Moreover, in order to qualify for support under this Scheme, applicants who are natural persons must either have tax residency in the Czech Republic or qualify for reduction of income tax payable for the taxation period of 2020 under the Personal Income Tax Act. Corporate applicants must have tax residency in the Czech Republic or another state of the European Economic Area.

Applicants who have been dissolved and entered liquidation are disqualified, as well as businesses which, as of 31 December 2019, qualified as undertakings in difficulties as defined by Commission Regulation (EU) No. 651/2014, i.e., in particular businesses who are subject to insolvency proceedings. Other requirements are listed in Section 4 of the Call.

2. SUPPORT

The amount of financial support which businesses may receive under the Scheme depends on the type of the business activities partially or fully banned or restricted by governmental measures between 14 October 2020 and 10 January 2021.

The support will consist of CZK 400 per each employee or a cooperating self-employed individual multiplied by the number of days restrictions applied to the given type of business.

For these purposes, only full-time employees for whom social security levies were paid in October 2020 will be deemed as employees for which applicants will receive full support. Support paid for part-time employees will be pro-rated accordingly.



3. SUPPORTED BUSINESS SECTORS

Businesses from the sectors listed below are eligible for support. Support will always be paid only for the number of days for which the business was ordered to stay closed or its operations restricted.

Support is available for the following businesses: retail, gastronomy, personal services, and certain businesses in the area of entertainment, sport and recreational activities. Annex 2 to the Call lists the exact activities eligible for support in each business sector and the number of days for which each business sector is eligible for support.

4. OTHER REQUIREMENTS

Support paid under “COVID Gastro” may be drawn alongside support from „COVID – Rent“ and „Antivirus“ schemes. However, applicants cannot receive more than the total amount of EUR 800,000 from all schemes which belong to the temporary framework of the European Commission.

In case of a future inspection by the authorities, all documents relating to receiving support from the Scheme must be archived for at least 10 years from the date of the respective authority’s decision to grant the support.

Also, by a statutory declaration made in the application, applicants undertake not to cease their business activities for at least 3 months from the receipt of the support.

5. APPLICATIONS

Applications will open on 15 January 2021 and may be filed via an online system “AIS MPO” available at the Ministry of Industry and Trade’s website. Registered users who have already drawn support from other governmental schemes do not need to register again but will simply choose the selected support scheme upon login.

The Call does not prescribe any mandatory attachments which shall be enclosed to the application.

We hope that our newsletter provided you with useful information and we are ready to assist you to find the right solution for any situation you may encounter.

Your LTA team