

NEW PROGRAMS TO SUPPORT ENTREPRENEURS

Dear Clients, Dear Business Friends,

We would like to inform you about the new programs of the Ministry of Industry and Trade (“MIT”) to support entrepreneurs, which aim to mitigate the negative effects of restrictions, associated with measures to combat the COVID 19 pandemic, on businesses in the Czech Republic.

PROGRAM COVID 2021

□ It is possible to **obtain** from the program a **contribution towards the costs of operating and maintaining a business**, in particular staff costs, costs of materials, services, depreciation, taxes and fees, loan repayments and overhead costs.

□ The amount of contribution is **CZK 500 for individual employees in an employment relationship, who were registered** with the Czech Social Security Administration **for payment of premiums** as at 11 January 2021. Persons cooperating in a similar relationship and executives of limited liability companies are also considered employees. As concerns employers that have less than 3 employees, the amount of support is fixed at CZK 1,500 per day.

□ Support can be drawn for the period from 11 January 2021 to 31 March 2021, i.e. for a total of

80 days.

□ Eligible applicants are natural persons and legal entities established under private law, as well as contributory organizations that **carry out business activities in a trade or similar manner and employ at least one full-time employee**.

□ The basic condition for participation in the program is a drop in sales in the period from 1 January 2021 to 28 February 2021 by at least 50% compared to the period from 1 January 2019 to 28 February 2019 or the period from 1 January 2020 to 29 February 2020, at the applicant’s discretion.

□ When receiving support from this program, it is not possible to accept new compensatory bonuses for February and March 2021, or any contributions from programs such as COVID – Uncovered Costs, AGRICOVID, or others. The **program, on the other hand, is compatible with the Antivirus program**. The amount of contributions is limited by the sum of all subsidies received from the programs that belong to the programs referred to in point 3.1. of the European Commission’s temporary framework, in the maximum amount of EUR 1,800,000.

□ **Applications can be submitted** via the application available on the MIT website, starting from

12 April 2021 9:00 a.m. to 31 May 2021 16:00 (4 p.m.). However, the MIT may prematurely suspend receiving applications.

PROGRAM COVID – UNCOVERED COSTS

□ This program will be an alternative to the COVID 2021 program. **The invitation to file applications, and detailed conditions of this program have not yet been published**, however, according to the information published by the MIT, the basic condition for participation in this program will be a decrease in turnover. The applicant will also have to prove that he was operating at a loss shown in the profit and loss account in the relevant period. The program will provide support to cover up to 60% of the reported loss.

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Please note that, given the current situation, the above information may be subject to further development and legislative changes. This newsletter does not contain all the conditions of the above programs, nor does it replace the professional advice provided in relation to a specific situation.