

PROGRAMMES TO SUPPORT ENTREPRENEURS III

Dear clients and business partners,

In the past, we have presented to you and successfully guided many of you through government programmes to support entrepreneurs. Please be advised that the COVID 2021 Programme and also the programme titled COVID – Uncovered Costs will be launched again. This time, losses will be compensated for the decisive period from 1 November 2021 to 31 December 2021. Entrepreneurs will have to choose between the two programmes, because they cannot participate in both at once. To help you consider your options in due time, we present the following comparison of the terms of the two programmes:

	<u>COVID 2021</u>	<u>COVID – UNCOVERED COSTS</u>
BASIC CONDITION	decrease in turnover by at least 30% in the decisive period	decrease in revenues by at least 30% and a loss in the decisive period
DECISIVE PERIOD	1 November to 31 December 2021	
REFERENCE PERIOD	In both cases, the decisive period should be compared against the same period of 2019. In the past, other periods could also be used as reference and it is not ruled out for the time being that this will again be possible.	
AMOUNT OF SUPPORT	CZK 300 per day per employee whose relationship with the employer corresponds to full-time employment for the whole decisive period or its part	40% of uncovered costs (losses) for the decisive period The amount of uncovered costs is reduced by funds obtained from other subsidy titles.

ANTIVIRUS PROGRAMME

The government's Antivirus employment support programme has been extended, in regime A, until 28 February 2022. The regime A compensates employers for 80% of their costs of compensation for salaries paid to employees during quarantine or isolation, but not exceeding CZK 39,000 per month.

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Regime B has also been reinstated and will be in force from 1 November 2021 to 28 February 2022. This regime compensates employers for 60% of their costs of compensation for salaries paid to employees on the following grounds having their origins in the COVID-19 pandemic:

- limitation of inputs necessary for the employer's activities (raw materials, components, etc.);
- reduced demand for services or products; or
- a significant number of staff are on sick leave or in quarantine or isolation.

Compensation in the regime B is limited to CZK 29,000 per month and employee.

AMENDMENT TO THE EUROPEAN COMMISSION'S TEMPORARY FRAMEWORK

The Temporary Framework for State Aid Measures to Support the Economy in the Current Covid-19 Outbreak (the "**Temporary Framework**") regulates primarily the options available to the EU Member States in providing subsidies in terms of time and finance. The Temporary Framework governs the disbursement of grants from a number of subsidy programmes, including those mentioned above. The Temporary Framework has now been extended until 30 June 2022 and the limits on the subsidies that a company can receive under national subsidy programmes have been increased. The limit for programmes falling under section 3.1. of the Temporary Framework is now EUR 2.3 million per undertaking. There is also a new maximum amount of aid granted under section 3.10 of the Temporary Framework, which is now EUR 12 million per undertaking. Antivirus grants are also included in this limit.

We continue to monitor the development of the compensation programmes and we are ready to share with you the full conditions based on which your potential participation can be evaluated, as soon as they are published. We will be happy to help you with the preparation and submission of your applications for participation in these programmes.

Your LTA Team

Please note that in view of the current situation, the above information may be subject to further developments and legislative changes. This newsletter does not contain all the terms of the above-specified programmes and cannot replace professional consultancy provided based on a specific situation.



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