

## 'ANTI-CRISIS SHIELD' FOR ENTREPRENEURS AND ECONOMY

**Prime Minister Mateusz Morawiecki has presented the premises of the aid package for entrepreneurs and the economy. The 'Anti-Crisis Shield', as it was named, will be divided into five parts, and its declared value is PLN 212 billion.**

The package, the full name of which is the Economic and Social Anti-Crisis Shield to Support Entrepreneurs and Employees in Connection with the SARS-Cov-2 Pandemic, was presented during a press conference on March 18, 2020, and will cover five areas, of which only general premises are known at this stage, summarized below.

<b>EMPLOYEE SAFETY</b>	In terms of support for employees, wage subsidies have been announced. If certain (so far undisclosed) criteria are met, the state budget will cover 40% of employees' salaries up to the average salary in the economy. The second 40% has to be covered by the employer and the employee has to agree to have their pay reduced by one fifth. Additionally, it is expected that the state will co-finance the costs of salaries of company employees in downtime, covering nearly half of the remuneration costs. Persons employed under civil law contracts and self-employment are to receive a subsidy of about 2,000 PLN gross per month.
<b>FINANCING OF ENTERPRISES</b>	Persons conducting business activity can expect to receive aid payments of up to 80% of the minimum wage. Additionally, entrepreneurs will receive loan guarantees, micro-loans up to PLN 5,000, subsidies for interest on loans. Industries particularly affected by turnover drops are to receive dedicated forms of support, e.g. postponement of lease installment dates for the transport industry by 3 months, or extension to 180 days (from 30) of the deadline for the reimbursement of payments made to travel agencies for the purchase of trips that have been cancelled. Large companies are to receive financing from the Polish Development Fund in the form of a temporary capital increase or bonds.  Moreover, the possibility of settling this year's tax loss in full in the following year (without the 50% limit) was provided for, and in the case of companies affected by a drop in revenue by half or more, the possibility of settling this year's loss with CIT or PIT due for 2019 (up to PLN 5 million).
<b>HEALTHCARE</b>	The planned healthcare support includes an additional amount of PLN 7.5 billion to be allocated for infectious disease hospitals dedicated to combating COVID-19, protective materials, medical equipment.
<b>STRENGTHENING THE FINANCIAL SYSTEM</b>	The banking sector is to be additionally stabilized by the redemption of bonds and the easing of mandatory reserves by the Central Bank of Poland, which is to translate into increased lending and ensuring the supply of cash available in retail trade.
<b>PUBLIC INVESTMENT PROGRAMME</b>	The fifth area concerns state aid. The plans include creating a fund of PLN 30 billion for public investments, among others for local government roads, digitalization and modernization of schools and energy transformation.

## POSSIBILITY OF DEFERRAL OF PAYMENT OF SOCIAL SECURITY CONTRIBUTIONS AND CERTAIN TAXES

As part of the business aid package, entrepreneurs may apply to have their **Social Insurance Institution contributions paid in installments or their payment date deferred**. The Social Insurance Institution (ZUS) informs through its website that entrepreneurs can take advantage of simplified forms of aid:

- postponement of the deadline for payment of contributions for the period from February to April 2020 by 3 months
- suspension of the execution of the contract concluded with the Social Insurance Institution (ZUS) for 3 months, where the deadline for payment of installments or contributions was set in the period from March to May 2020, and thus extending the deadline for the execution of the contract by 3 months.

In order to take advantage of these allowances, it is necessary to submit a relevant application. It is also important that these preferential arrangements will not be charged with an extension fee.

A **deferral of payment deadlines for PIT, CIT and VAT tax liabilities for enterprises**, regardless of their size and legal form, has also been announced.

## FURTHER EXPECTATIONS OF ENTREPRENEURS

In the opinion of the majority of business organizations, the proposals presented by the government are insufficient, and the actual aid funds are much lower than the declared amount of PLN 212 billion, of which almost 70% are the monetary policy instruments of the National Bank of Poland and others dedicated to the banking sector. The demands made by entrepreneurs, which were not addressed in the government's assumptions include, among others, the following:

- Suspension of the collection of ZUS (social security) contributions and certain taxes for companies in downtime
- Postponement of the deadline for preparing annual tax returns for 2019
- Extension of the deadline for drawing up annual financial statements for 2019
- Change of the deadlines for submitting ongoing tax returns, ZUS statements, NBP and GUS reports
- Postponement of the entry into force of the PPK (Employee Capital Plans) for employers hiring up to 50 employees
- Release of funds blocked on VAT accounts under the VAT split payment mechanisms).

**So far, the draft of the act, which will include the measures proposed by the government together with detailed eligibility criteria and conditions, has not been published. We will keep you informed of any progress in this regard.**

**We encourage you to contact our advisors who will answer your questions and help you to analyze the impact of the constantly changing situation on your companies.**

### CONTACT US: TPA POLAND

### BAKERTILLY WOROSZYLSKA LEGAL

**This document has been prepared for information purposes only and covers general nature. Before taking any action based on the above information, we recommend that you obtain a valid opinion of TPA experts and/or Baker Tilly Woroszylska Legal law firm.**



**Wojciech Sztuba**  
*Managing Partner  
Tax Advisor*  
Tel. +48 604 966 422  
wojciech.sztuba@tpa-group.pl



**Łukasz Korbas**  
*Partner  
Tax Advisor, Accounting  
Expert*  
Tel. +48 603 558 869  
lukasz.korbas@tpa-group.pl



**Katarzyna Woroszylska**  
*Managing Partner  
Rechtsanwältin/Advocate*  
Tel. +48 601 228 842  
katarzyna.woroszylska@bakertilly.pl



**Grzegorz Gajda, LL.M.**  
*Partner  
Attorney-at-law*  
Tel. +48 781 010 260  
grzegorz.gajda@bakertilly.pl

**TPA** is a leading international consulting group, offering comprehensive business advisory services in 12 countries of Central and Southeastern Europe.

**In Poland**, TPA is one of the largest consulting companies. We provide international corporations and large domestic companies with effective business solutions in terms of tax advisory, transaction advisory, financial audit, corporate finance, accounting outsourcing, real estate investment consultancy as well as payroll administration services and HR consulting.

Legal services, offered since 2018 under the **Baker Tilly Woroszylska Legal** brand, have been a natural addition to our interdisciplinary services. The law firm team consists of lawyers with many years of international experience in the field of transactions, litigation, and advisory.

TPA Poland and Baker Tilly Woroszylska Legal are the exclusive representatives of **Baker Tilly International in Poland** - one of the largest global networks of independent consulting companies.

As a member of Baker Tilly International, we combine the advantages of integrated, interdisciplinary 'one-stop-shop' services with local expertise and global reach of the advisory group.

[www.tpa-group.pl](http://www.tpa-group.pl) | [www.bakertilly.pl](http://www.bakertilly.pl)