



Information for clients

Czech Republic
April, 10th 2020

COVID-19: Deferral of loan repayment, withdrawal period for rent and compensation bonus for self-employed

In the past days, the Chamber of Deputies passed several laws mitigating the economic impact of the COVID 19 crisis. These include postponement of loan and rent payments and a compensation bonus for the self-employed.

The laws must still be approved by the Senate of the Czech Republic and the President of the Republic.

Postponement of loan repayments

Repayment of loans and mortgages agreed before March 26, 2020 can be suspended for up to six months.

Who is affected by the possibility of suspending loan and mortgage repayment?

Both legal and natural persons who are directly affected by the COVID-19 epidemic can apply for the deferral of repayments.

How long can you postpone?

The creditor may be asked to postpone the installments until October 31 or July 31, 2020.

Which loans are not covered by the deferral?

There is no legal right to defer the repayment

of overdrafts, revolving loans, and operating leases. However, it can be negotiated individually with credit institutions.

How do I apply?

The repayment will be postponed by the creditor at the request of the debtor. The application is submitted online, most banks have an application available on their website.

Interest

The agreed interest rates apply for the period of the deferred installments. We recommend that you double-check with the bank. Interest payments are not deferred for legal entities.

What needs to be considered?

There is no legal right to defer the repayment of the loan if it has been in default for more than 30 days on March 26, 2020.

Prohibition of termination of the lease for entrepreneurs

The law provides for the so-called protection period until December 31, 2020, during which the lease cannot be terminated due to non-payment of the rent.

Who is protected?

Entrepreneurs who have been prevented from or affected in doing business due to the imposition of exceptional measures and who were late in paying their rent between **12 March and 30 June**.

The rent for this period has to be paid by 12/31/2020.

Termination ban when renting an apartment

Private individuals also have a protection period until **December 31, 2020**, during which they **cannot not be terminated due to non-payment of the rent**.

Who is protected?

Tenants who demonstrate that they were late in paying the rental due in the period from **March 12 to July 31, 2020** due to the immediate measure limitation.

The rent for this period has to be paid by December 31, 2020.

Compensation bonus for the self-employed

Who is eligible?

Self-employed persons who are not also employed.

A person who receives unemployment benefit is not entitled to the bonus.

Compensation bonus amount

This is a one-time payment of CZK 25,000 for the bonus period from March 12 to April 30, 2020.

When and how can I apply?

Once the law is signed by the president, a contribution can be requested electronically by completing a application form

<https://www.financnisprava.cz/cs/financni-sprava/media-a-verejnost/nouzovy-stav/kompenzace-osvc/Zadost-pro-OSVC/Zadost-interaktivni-PDF>

Your AUDITOR team

ING. RENATA PŘECHOVÁ
Tax department
T: +420 565 502 501
renata.prechova@auditor.eu

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Contacts

Mag. Georg Stöger
International Tax Law

Marie Haasová
Czech Accounting Legislation

Ing. Jan Šimerka
Statutory Audit, IFRS

Ing. Marta Prachařová
Czech Tax Law

Iva Tolde
Personnel and Payroll Agenda

Office Prague
Haštalská 6
110 00 Praha 1
T: +420 224 800 411

Office Brno
Palác JALTA
Dominikánské nám. 656/2
602 00 Brno
T: +420 542 422 601

Office Pelhřimov
Masarykovo nám. 30
393 01 Pelhřimov
T: +420 565 502 502

