

Coronavirus: Important links

March 26 2020

Please find further information and publications in connection with Covid-19 below.

TAXES

- (Update 23 March, 12:50 p.m.): In Bavaria, companies affected by the Corona crisis can apply for repayment of the special VAT advance payment already made. (See today's special information by GKK PARTNERS)
<https://www.stmfh.bayern.de/internet/stmf/aktuelles/pressemitteilungen/24153/index.html>
- (Update 19 March, 14:45 p.m): The Federal Ministry of Finance (BMF) has issued general regulations on the conditions for tax deferral and reduction of advance payments. Accordingly, the following now applies nationwide:
 - Until 31 December 2020, applications for the reduction of advance payments as well as the deferral of tax payments due or becoming due until then can be submitted by any taxpayers proving to be directly and not inconsiderably affected. When examining the conditions, the tax authorities are urged not to impose strict requirements.
 - As a rule, interest on deferral can be waived.
 - Applications for deferral or reduction of advance payments for periods after 31 December 2020 must be specially justified.
 - In the case of taxpayers directly and not inconsiderably affected, enforcement measures are waived until 31 December 2020 and also default surcharges for these taxes are waived as well.
- Please find the link to the underlying BMF letter dated 19 March 2020 below:
https://www.bundesfinanzministerium.de/Content/DE/Downloads/BMF_Schreiben/Weitere_Steuerthemen/Abgabenordnung/2020-03-19-steuerliche-massnahmen-zur-beruecksichtigung-der-auswirkungen-des-coronavirus.pdf;jsessionid=C86DF7F59072CB9A18681B69F4517836.delivery2-replication?__blob=publicationFile&v=2
- Application for tax deferral from the Bavarian Tax Office:
https://www.finanzamt.bayern.de/Informationen/Steuerinfos/Weitere_Themen/Steuerliche_Hilfsmassnahmen/default.php?f=LfSt&c=n&d=x&t=x

Tax relief (application for interest-free deferral or reduction of advance payments/the taxable amount for the purposes of trade tax advance payments) | Direct link to the form for applications for tax relief | Bavarian tax office

<https://www.finanzamt.bayern.de?doc=104233>

Update (24 March 2020) Withholding taxes such as wage tax or tax on capital gains, on the other hand, cannot be deferred. The only option is to submit an application for suspension of enforcement to the relevant tax office

- Update (dated 19 March 2020): The trade tax is due to and collected by the municipalities. However, the base of the trade tax is the trade tax assessment amount determined by the tax offices. Therefore, applications for reduction of the trade tax base for the purpose of advance payments must be submitted to the respective tax office until 31 December 2020 by affected taxpayers, stating the specific circumstances. If the tax office reduces the amount of the assessment, the responsible municipality is bound by this assessment when determining the advance trade tax payments.

On the other hand, any applications for deferral or remission of trade tax are generally to be submitted to the municipalities.

https://www.bundesfinanzministerium.de/Content/DE/Standardartikel/Themen/Steuern/Steuerarten/Gewerbesteuer/2020-03-19-gewerbesteuerliche-massnahmen-zur-beruecksichtigung-der-auswirkungen-des-coronavirus-anlage.pdf;jsessionid=733E6304AD1A4AC0888E9E1C0CD91AA8.delivery2-master?__blob=publicationFile&v=2

EMERGENCY AID | LOANS

- (Update, 25 March 2020, 9:20 a.m.): Corona virus: Act to mitigate the consequences of the Covid 19 pandemic in civil, insolvency and criminal proceedings

To mitigate the economic consequences of the Corona crisis further, the German government has already submitted a bill to this effect ("Act on Mitigation of the Consequences of the Covid 19 Pandemic in civil, insolvency and criminal proceedings"). The law will be passed this week; some regulations are to take retroactive effect from 1 March 2020.

Click here for [GKK News](#) on the topics tenant protection, rights of debtors to refuse performance, deferral for borrowers, extension of the deadline for conversions, suspension of the obligation to file for insolvency, facilitation of decision-making

- (Update 25 March 2020, 11:00 a.m.) The Kreditanstalt für Wiederaufbau (KfW), which provides emergency loans to companies, the self-employed and freelancers, has announced details. The Federal Cabinet has also launched a package of measures for micro-enterprises and the self-employed. Please see the link below for further details
<https://www.kfw.de/KfW-Konzern/Newsroom/Aktuelles/KfW-Corona-Hilfe-Unternehmen.html>
- Update (17 March 2020, 9 pm): Emergency aid for entrepreneurs in Bavaria - with application form now online
<https://www.stmwi.bayern.de/soforthilfe-corona/>
- Coronavirus: Billions of euros in aid program and protective shield: Information from the Federal Ministry of Finance, including FAQs
https://www.bundesfinanzministerium.de/Content/DE/Standardartikel/Themen/Oeffentliche_Finzen/2020-03-13-Schutzschild-Beschaefigte-Unternehmen.html
- Important information and links "Coronavirus" for affected companies from the Bavarian State Ministry of Economic Affairs, Regional Development and Energy

Establishment of an emergency aid program "Härtefallfonds Corona"- emergency aid graduated according to company size between 5 and 30 TEUR | prerequisites for an application are:

- a) small and medium-sized commercial enterprises and members of the liberal professions
- (b) with fewer than 250 employees each,
- (c) either an annual turnover not exceeding EUR 50 million or an annual balance sheet total not exceeding EUR 43 million; and
- (d) permanent establishment in Bavaria

Further information and an application form will be published shortly under the following link:

<https://www.stmwi.bayern.de/coronavirus/>

SHORT-TIME WORK

Information by the employment agency on short-time work benefits:

- If a temporary reduction in normal working hours becomes necessary due to the coronavirus, affected companies can apply for short-time work compensation at their responsible employment agency.
- In addition, extended short-time working regulations will be implemented, as demanded by Bavaria. The following facilitations are made:
 - The requirement that at least one third of the workforce be affected by the loss of working hours will be lowered to a threshold of 10 percent.
 - The Federal Employment Agency will pay social security contributions in full.
 - There will be a partial or complete ban on building up negative working time balances.
 - Temporary employees can also receive short-time working compensation.
- As already decided by the Federal Government on 29 January, 2020, an extension of the short-time working allowance from 12 to 24 months will be made possible at the same time.

You will find all information on the short-time working allowance, the relevant employment agency and an online notification or application function on the website of the Federal Employment Agency

<https://www.arbeitsagentur.de/news/kurzarbeit-wegen-corona-virus>

Download: [Flyer economic short-time work compensation § 95 ff SGB III](#) (Publisher: Federal Employment Agency)

• Amount of the short-time working allowance

The tables of the Federal Employment Agency provide preliminary information. The exact calculation is implemented with the payroll.

Note:

The social security contributions due on the short-time working allowance are reimbursed 100% by the Federal Employment Agency.

Table for calculating the short-time working allowance

https://www.arbeitsagentur.de/datei/kug050-2016_ba014803.pdf

Table for calculating the short-time working allowance for employees who do not have to pay social security contributions

https://www.arbeitsagentur.de/datei/kug51-tabelle-2016_ba015003.pdf

WAGES | SOCIAL SECURITY CONTRIBUTIONS

- Withholding taxes such as wage or capital gains tax cannot be deferred. The only possibility here is to submit an application for a stay of execution to the responsible tax office.
- (Update 26 March 2020, 17:50 a.m.) **Social security contributions:** In the meantime, the social security agencies have also reacted to the Corona crisis. Employers who are not able to make the payments for understandable reasons due to the corona crisis can apply for a deferral of social security contributions.

The deferral of contributions is a subordinate measure. This means that affected employers should primarily take advantage of the short-time working allowance, the support and assistance measures of the Federal Government and the states (especially tax deferrals and repayment of special VAT advance payments) and promotional loans from KfW. The amounts thus obtained are to be used to pay social security contributions.

Companies that find themselves in serious payment difficulties despite making use of the above options can take advantage of easier access to deferments of contributions.

Companies that satisfy the conditions for benefiting from the simplified deferral of contributions have to lay these out appropriately. As a rule, a credible statement by the employer that he has suffered considerable financial damage due to the corona pandemic (e.g. loss of turnover due to a substantial decline in orders) should be sufficient.

For the time being, the facilitated deferral is limited to the contributions for the months of March and April 2020. In the context of the facilitated deferral of contributions, no security will be required and no deferral interest will be charged. In addition, no late payment surcharges or reminder fees will be charged, and any late payment surcharges and reminder fees already set will be refunded on request.

Enforcement measures are to be waived for the time being in the case of employers significantly affected by the crisis.

Since the social security contributions attributable to the short-time working allowance are currently also reimbursed by the Employment Agency, these amounts are only to be deferred until the short-time working allowance is granted. As soon as the employer receives the corresponding reimbursement from the Employment Agency, the reimbursement amounts for social insurance included therein have to be forwarded to the responsible health insurance funds.

Background information Spitzenverband Bund der Krankenkassen

- (Update 24 March 2020, 8:20 a.m.): The artists' social security fund also grants relief to companies and artists affected by the Corona crisis. Companies subject to the levy have the option of extending the deadline for the submission of the 2019 fee payment report until 30 June 2020. For this purpose, an informal written application with a brief explanation of the reasons for the extension must be submitted to abgabe@kuenstlersozialkasse.de.

In the event of payment difficulties, the companies concerned can also submit an informal written application for deferral of contributions or payment by instalments (also by e-mail to abgabe@kuenstlersozialkasse.de). The application should include a brief statement of reasons. In this case, contributions can be deferred interest-free until (initially) 30 June 2020. This measure does not eliminate the payment obligation, but at least a deferral of payment is achieved.

If, due to the Corona crisis, the levyable payments are expected to be lower than in the previous year, the advance payments to be made can be reduced upon application. Please use the application form available on the KSK homepage or submit an informal letter with a brief explanation (by e-mail to abgabe@kuenstlersozialkasse.de).

Further information, including information on facilitating measures for artists, can be found here <https://www.kuenstlersozialkasse.de/die-ksk/meldungen.html>

- Continued payment of wages for childcare from 15.03.2020: Federal Ministry of Labour and Social Affairs
<https://www.bmas.de/DE/Presse/Meldungen/2020/lohnfortzahlung-bei-kinderbetreuung.html>

ACCOUNTING

- (Update 26 March 2020) **IDW publishes a second part of the Technical Note on the effects of the spread of the coronavirus on financial reporting and auditing**

The IDW has published two technical notes dealing with the consequences of the virus on accounting in accordance with HGB and IFRS.

The first technical note dated 4 March 2020 deals with the effects of the corona pandemic on selected aspects of HGB and IFRS accounting for financial statements and management reports as of 31 December 2019 and their audit. We had already reported on this in our [newsletter](#) on 10 March 2020.

The second part of the Technical Information now published builds on or supplements the first part, including the effects on financial statements and management reports for reporting periods ending after December 31, 2019, selected information on HGB and IFRS accounting, and more detailed assistance with the audit process.

As it is not possible to foresee further developments concerning the coronavirus in detail, it is important that the information available and its possible effects are constantly reviewed by the corporate bodies responsible for preparing the financial statements and management report and by their auditors.

The overview and technical information on the effects of the spread of the coronavirus on accounting and auditing can be found on the following website:

<https://www.idw.de/idw/im-fokus/coronavirus>

In case of any questions, the GKK PARTNERS team is available to you as usual.

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