

Coronavirus - State aid (not only) for entrepreneurs - Czech Republic

Brief overview of recent
subsidy programs



We bring to you an overview of state support for entrepreneurs and employees in connection with the spread of disease of Covid-19. Guide for employers, regularly updated, can be found [HERE](#).

COVID – Uncovered costs

The aim of the program is to help entrepreneurs in a loss to pay part of their uncovered fixed costs, provided that the eligible applicant must suffer a decrease in turnover of at least 50% between **1 January and 31 March 2021**, compared to the same period of 2019 or 2020.

The amount of subsidy will be **60% of uncovered costs**.

Applications for this aid can be submitted from **19 April to 19 July 2021**, together with the following:

- Adjusted profit and loss statement and statement of turnover decrease, both documents prepared according to the criteria of Annex No. 2 to the call for this program and verified by the auditor
- Overview of subsidies already received

This program cannot be combined with the subsidy program COVID - 2021.

COVID – 2021

This program is intended for all employers who, as a result of extraordinary measures, were forced to reduce their activities or completely close their premises and whose sales decreased by at least 50% for the period from **1 January to 31 March 2021**, compared to the same period of 2019 or 2020.

The subsidy amounts to **CZK 500** per employee and day (in the period between 11 January and 31 March 2021) for which the premises' activities were limited. If the employer had one to three employees, the aid is set forth to **CZK 1,500** per day. All employees who were registered as at 11 January 2021 to pay premiums to the Czech Social Security Authority can be included into the calculation.

Applications for subsidies can be submitted from 12 April 2021 to 31 May 2021.

This program cannot be combined with the COVID - Uncovered Costs program or with the new Compensation bonus for February and March. Employers who have already drawn subsidy from the COVID - Accommodation II program can receive subsidy only for the period between 23 January and 31 March 2021.

COVID – Trade fairs / Congresses

This program is intended for entrepreneurs in the field of trade fairs, congresses and their organizers and related B2B events who suffered a decrease in their turnover for the period from **1 March to 31 October 2020** by at least 30%, compared to the same period in 2019.

The state will provide aid to the entrepreneurs in the amount of up to **60% of uncovered costs**, which means a loss reduced by subsidies already provided to such entrepreneur and for which the applicant was forced to spend his expenses.

Applications to the program can be submitted from **6 April to 31 May 2021**, together with the following:

- Adjusted profit and loss statement and statement of revenue decline, both documents prepared according to the criteria of Annex No. 2 to the call for this program and verified by the auditor
- Overview of subsidies already received

This program cannot be combined with the subsidy program COVID – Uncovered Costs.

COVID – Accommodation II

The subsidy is intended for operators of collective accommodation establishments (CAE) but also individual accommodation establishments (IAE) in Czech Republic affected by the consequences of measures related to the COVID-19 pandemic. The subsidy is not intended for accommodation services in an apartment building (airbnb).

The subsidy is proposed in the amount of CZK 100 – CZK 330 per room, depending on the category and class of accommodation facilities, for the period from 22 October 2020 to 22 January 2021 (excluding 3 December – 17 December 2020).

Applications for subsidies can be submitted until 29 April 2021.

Antivirus Mode A, Mode A (Plus)

The contribution is intended for companies which have been forced to restrict operations and quarantine employees. The programs will end on 30 April 2021.

Mode A

The contribution to employers amounts to **80%** of the paid wage compensation, including social and health insurance contributions (**max. CZK 39,000** per employee and month).

Mode A (Plus)

The contribution to employers amounts to **100%** of the paid wage compensation, including social and health insurance contributions (**max. CZK 50,000** per employee and month). The contribution for quarantined employees remains only 80% of the paid wage compensation.

Antivirus Mode B

The contribution is intended for undertakings that have been affected by the coronavirus crisis indirectly. For example, their demand for products or services or the supply of inputs needed for their production have dropped.

Employers can apply for a contribution in the amount of **60%** of the paid wage compensation, including social and health insurance contributions, **max. CZK 29,000** per employee and month. This program will end on 30 April 2021.

Crisis care benefits

Care benefits are currently regulated by a special law on crisis care benefits, on the basis of which an employee is eligible if he or she cannot work due to the need to care for a child **under 10 years of age**, dependent children (up to 26 years of age) participating in school attendance and depending on the care of another person, persons older than 10 years of age depending on the care of another person using the services of day care centres and similar facilities, or children who cannot attend classes due to a family member with ordered quarantine.

Persons working on the basis of an agreement to perform work (DPČ) or agreement to complete a job (DPP) are also entitled to care benefits if their social insurance has been paid for the previous 3 months. Employees will be able to receive care benefits **for the whole duration of the emergency measures**. The amount of the care benefit is **70%** of the daily assessment basis, but at least CZK 400 per day.

Compensation bonus

A compensation bonus now amounts to CZK 1,000 for each day in the period from 1 February 2020 to 30 April 2021.

The bonus is intended for the self-employed, furthermore to natural persons who are shareholders of a limited liability company (s.r.o.) with no more than 2 shareholders or with all the shareholders being members of one family, and persons working on the basis of an agreement to perform work (DPČ) or agreement to complete a job (DPP) participating in the health insurance system, if business activities of that persons have been restricted as a result of the extraordinary measures.

COVID III Guarantee program

The aim of this program is to support entrepreneurs with **up to 500 employees** whose economic activities are limited due to occurrence of COVID-19 and related preventive measures through guarantees for operating bank loans (including investment costs). State aid (portfolio guarantee) applies to operating loans **up to CZK 50 million**, which will be provided until 30 June 2021.

Companies with **up to 250 employees** can apply for an operating loan of up to **90% of the principal** of the guaranteed loan, but no more than **CZK 45 million**.

Businesses with **up to 500 employees** can obtain a loan of up to **80% of the principal** of guaranteed loan, but no more than **CZK 40 million**. The duration of guarantee in both cases is a maximum of three years.

Guarantee program COVID Plus

The aim of this support guarantee program is to support business and strengthen the liquidity of large export companies (whose exports in the previous accounting period represented for at least 20% of the company's total sales) and their suppliers with more than 250 employees affected by the economic impact of COVID-19.

The financing is supported by a guarantee from the state Export Guarantee and Insurance Company, a.s. (EGAP) for loan repayment obligations to the financing bank.

The amount of the loan may be up to **25%** of the company's total turnover in 2019. The loan may range from **CZK 5 million to CZK 2 billion** (per borrower or per economically connected group, if the borrower is a member). The loan can be provided until the end of June 2021. The maximum amount of the EGAP guarantee is **90%**.

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even in the time
of Covid-19

We offer assistance in all areas of your business

Experienced colleagues are at your service both in Czech Republic and Slovakia.

For more information contact

Antivirus, Crisis care benefits, Compensation bonus, 2021



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Guarantee program COVID III and COVID Plus



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Accomodation II



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