

# Covid-19: State aid (not only) for entrepreneurs

## Brief overview of programs



We bring 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](#).

### Antivirus Mode A, Mode A (Plus)

This contribution is intended for companies which have been forced to restrict operations and quarantine employees. The programs will end on 28 February 2021.

#### Mode A

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

#### Mode A (Plus)

For the period from 1 October 2020, the contribution to employers is 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 companies that have been affected by the coronavirus crisis indirectly. For example, their demand for products or services has fallen, or the supply of inputs needed for their production has fallen.

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. The program will end on 28 February 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 entitled to benefits 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 (from grade I), persons older than 10 years of age depending on the care of another person using the services of day care centers 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. In order to receive the care benefit, confirmation of the school's closure will no longer be required, which will be replaced by the employee's affidavit.

## Compensation bonus

A compensation bonus amounts to CZK 500 for each day in the period from 5 October 2020 to 23 January 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 these persons have been restricted as a result of the extraordinary measures.

## COVID – Rent II

This is a continuation of the subsidy program to support entrepreneurs who, as a result of the "anti-Covid" measures, are banned or restricted from selling or providing services on leased premises.

State aid amounts to **50%** of the rent for July to September 2020 and can be provided up to a maximum of **CZK 10 million** per beneficiary (the limit does not include support received for rent from April to June 2020). Unlike the previous decree, the landlord's participation in the form of a discount on rent is no longer required.

**Applications for subsidies can be submitted from 21 October 2020 to 21 January 2021.** Details of the program can be found [HERE](#).

According to the latest information, a new COVID – Rent III program will be introduced, on the basis of which the applicants will be allowed to receive the rent support with respect to the period from October to December 2020.

## COVID – Culture III

The program will be aimed at both entrepreneurs in the field of culture and the performers themselves.

**Entities operating in the field of culture will be allowed to apply for support:**

- a) in the amount of **50%** for eligible expenses incurred in connection with the organization of cancelled or relocated cultural events
- b) in the amount of **80%** for eligible expenses of business entities whose continuous activity in the field of culture was limited

Performing artists and practitioners of professional artistic and technical professions in the fields of music, theatre and dance may apply for a one-time state contribution of **CZK 60,000**.

The details of this program along with the conditions thereof are to be published.

## COVID – Accommodation II

The subsidy is intended for operators of collective accommodation establishments in the Czech Republic affected by the consequences of measures related to the COVID-19 pandemic. The subsidy is proposed in the amount of CZK 100 - CZK 330 per room, depending on the category and class of accommodation facilities, with respect to the period from October to December 2020. The program has not been launched yet.

## COVID - Gastro - Closed establishments

The program will be intended for all the establishments which, on the basis of the extraordinary measures, are forced to restrict their activities or entirely close their stores, provided that the support will amount to CZK 400 per employee and day (between 14 October 2020 and 10 January 2021), when the activities of the establishment were such restricted.



## COVID III Guarantee program

The aim of the program is to support entrepreneurs with **up to 500 employees** whose economic activities are limited due to the occurrence of coronavirus infection and related preventive measures through guarantees for operating bank loans. 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, up to a maximum of **CZK 45 million**. Businesses with **up to 500 employees** can obtain a loan of up to **80% of the principal** of the guaranteed loan, up to a maximum of **CZK 40 million**. The duration of guarantee in both cases is a maximum of three years.

## COVID Plus Guarantee program

The aim of this support guarantee program is to support business and strengthen the liquidity of large export companies (whose exports in 2019 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%**.

We will be happy to help you with state aid.



We are with you,  
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,  
Gastro – Closed establishments



**Tomáš Procházka**  
Partner

T: +420 255 706 519  
M: +420 737 886 544  
tomas.prochazka@  
eversheds-sutherland.cz



**Peter Perniš**  
Senior Associate

T: +420 255 706 545  
M: +420 702 239 802  
peter.pernis@  
eversheds-sutherland.cz

### Rent II, Culture III, Accommodation II



**Dominika Veselá**  
Partner

T: +420 255 706 532  
M: +420 602 639 532  
dominika.vesela@  
eversheds-sutherland.cz

### COVID III and COVID Plus Guarantee programs



**Michal Růžička**  
Senior Associate

T: +420 255 706 530  
M: +420 602 640 437  
michal.ruzicka@  
eversheds-sutherland.cz

[eversheds-sutherland.com](http://eversheds-sutherland.com)

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**Eversheds Sutherland,**  
**advokátní kancelář, s.r.o.**  
Pobřežní 394/12, Karlín, 186 00 Prague 8,  
Czech Republic  
T: +420 255 706 500  
E: [paha@eversheds-sutherland.cz](mailto:paha@eversheds-sutherland.cz)  
[www.eversheds-sutherland.cz](http://www.eversheds-sutherland.cz)