

Overview on national measures taken by governments to react to the economic consequences of the COVID-19 spread in Europe

This is an overview of measures based on input from members and research by BusinessEurope. This is a living document that will be regularly updated on the dedicated Extranet. For questions, updates and comments please contact Malthe Munkoe, Senior Adviser in the Economics Department (m.munkoe@business europe.eu).

EU response

- **EU finance ministers** on 4th March issued a statement regarding their commitment to provide a co-ordinated response and to use all appropriate policy tools to achieve strong, sustainable growth and to safeguard against the further materialisation of downside risks.
 - **Commission President von der Leyen** on 10th March, 'to use all the tools at our disposal to make sure the European economy weathers this storm'.
 - **The ECB** on 12th March announcing in particular, plans to temporarily relax capital requirements for the financial sector to support lending to the real economy, as well as more accommodative monetary policy through increasing its asset purchases by €120 billion during 2020.
 - At a press meeting on EU March 13, **EU leaders** including von der Leyen confirmed that the EU "general escape clause" would come into play (which grants Member States leeway to break with fiscal rules in the face of an emergency that is unusual and outside their control), and that there will be granted maximum flexibility under state aid rules in government efforts to support the economy, while also announcing a 37 billion euro Coronavirus Response Investment Initiative to support the healthcare sector and labour markets generally (drawing from unused structural funds).
 - The **Eurogroup** met on March 15 and confirmed the applicability of the "general escape clause" in light of the virus outbreak, while noting that member states had already commenced fiscal stimulus corresponding to 1% of GDP. The Eurogroup issued a statement promising to "do whatever it takes to effectively address the current challenges and to restore confidence and support a rapid recovery".
 - On March 16 the **G-7 leaders** issued a statement committing to do "whatever is necessary to ensure a strong global response through closer cooperation and enhanced coordination of our efforts", noting that "while current challenges may require national emergency measures, we remain committed to the stability of the global economy".
- On March 17 Commission Vice-President Vestager circulated to member states a **draft Temporary Framework for state aid** designed to ensure full flexibility to use state aid to support companies/sectors

Austria

- **CoVid-19 Crisis Management Fund - Budget of up to EUR 4 billion, applicable in particular for:**
 - Measures to stabilise the health care system
 - Measures to stimulate the labour market (in particular: short time work ("Kurzarbeit"))
 - Measures to maintain public policy and security
 - Measures to support educational organisations in adopting to the new situation
 - Measures to absorb the shock of income loss
 - Measures in connection with the Law of Epidemics
- **COVID-19-Short Time Work ("Kurzarbeit")**
 - Financial means of EUR 400 Mio.

- Short time work is planned for three months.
- Key Points of COVID Short Time Work:
 - Before starting short time work, the employee has to consume all annual leave and overtime.
 - Wage guarantee:
 - Up to EUR 1.700 of gross wage, 90% of the previous net wage.
 - Up to EUR 2.685 of gross wage, 85% of the previous net wage.
 - Beyond EUR 2.686 gross wage, 80% of the previous net wage.
 - The employment contract must not be terminated during the short time work period, and in the first month after short time work, barring exceptional circumstances that require special negotiations.
- During short time work, working hours can be reduced by an average of up to 90%.
- Normal working hours can be changed in agreement with the employee.

- **COVID-19-Law on Special Care**

§ 18b Labour contract law: In case of (partial) closure of institutions (e.g. schools) due to official measures, employers can now grant special care leave even to those employees who would normally have no entitlement to stay at home to take care of their children (up to 14 years old). This care leave is limited to three weeks. During this time, employees will receive a third of their gross wage, paid for by the government.

- **Work Inspections & Working Hours**

During the occurrence of COVID-19, deviations from the working time provisions are possible (e.g. extensions to the normal working hours). This applies to all industries with an extraordinary need for work (e.g. healthcare).

- **Measures of the Austrian National Health Insurance Fund:**

The Fund has put together a package of measures to relieve the pressure on affected companies, such as deferral of contributions, payment by instalments, waiving of late-payment fee, suspension of notices of seizure and bankruptcy applications.

- **Corporate and Income tax**

Corporate and income tax advance payments for 2020 can be reduced or set to zero.

- **Guarantees and Financing**

Exporting companies can be granted credits up to 10% (large companies) or 15% (SMEs) of their export revenues by the OeKB (österreichische Kontrollbank). AWS (Austria Wirtschaftsservice) will provide guarantees with special conditions for companies who are affected by the COVID-crisis to facilitate financing credits.

Belgium

- Companies can follow a so-called 'payment plan': In this payment plan, companies can 'spread' payments of VAT, social contributions and fines. They can also delay payments of corporate income tax and regular income tax.
- Fines to companies for late payments can be remitted.
- Increase in short-time work payments (65%--> 70%)
- Federal government will not charge companies with fines if they can't fulfil a public contract in ti

These measures only apply to companies that can show that they have been directly hit by the coronavirus (e.g. a decrease in turnover, a significant decrease in orders and / or reservations, consequences of a "chain reaction" with partner companies,...). The deadline for getting this 'payment plan' is June 30.

Denmark**Labour market initiatives**

- Government has suspended rules on sick leave until January 1, 2021. Thus the government pays sick leave from day 1 (instead of the usual 30 days) when employees are quarantined or sick with Covid-19. Self-employed receive sick leave payment from first day of absence instead of after 2 weeks.
- Greater flexibility awarded to scheme which allows companies to endorse employees to temporarily work part-time, with employees receiving supplementary unemployment benefits during the period.
- Tri-partite agreement on temporary wage compensation to companies in the private sector for employees in danger of being laid off. The agreement will be in force for a period of 3 months (9 March – 9 June 2020) and applies to companies forced to lay off at least 30% of staff or more than 50 employees.
- Law under way to ensure economic compensation for companies that will face shortage of labour as a consequence of corona (6-months' period), if the companies keep the employees with pay. The aim is to avoid redundancies and risk of losing valuable part of the companies' work-force.
- Work-share can be used directly after an agreement with the employee instead of a waiting period of one week after the initial registration at the job center. Plus enhanced flexibility in use of scheme. The measure will be applicable for a period of 13 weeks with possibility to apply for an extension.

Other initiatives

- Suspension of company payments of VAT and other taxes.
- Contracyclical capital requirements set to zero which allows banks to provide more liquidity to companies.
- 1 bn DKK set aside to provide guarantees for companies.
- A number of regulations of the transport sector to be suspended temporarily in order to secure distribution of goods in the country.
- Public authorities are allowed to prolong deadlines for bids for tenders (e.g. if companies are likely not currently in a position to commence work on projects).

France + see document in extranet

- Delayed deadlines for social and fiscal payments
- In difficult cases tax rebates can be decided on an individual examination of requests
- Support from the State and the Banque de France (credit mediation) to negotiate with its bank a rescheduling of bank credits;
- The State will guarantee €300 billion of bank loans to companies
- A €1 billion 'solidarity fund' will get created for the microbusinesses, SMEs and independent workers whose turnover is less than €1 million and who suffered a 70% decline of their turnover between March 2019 and March 2020 (cumulative criteria) : these eligible entities will then get a monthly €1 500 grant. Practical details will be clarified in the upcoming days.
- Suspension of rent and utility bills owed by small companies. Practical details regarding especially the size of eligible companies will be clarified in the upcoming days.
- The mobilization of Bpifrance to guarantee bank cash lines which companies may need because of the epidemic;
- Maintaining employment in companies through the simplified and reinforced partial unemployment system;
- Support for the treatment of a conflict with customers or suppliers by the Business Mediator;
- Recognition by the State of Coronavirus as a case of force majeure for its public contracts. Consequently, for all State public contracts, the delay penalties will not be applied.
- The State will cover 100% of the wages paid under the short time scheme.

Germany

Making reduced hours compensation benefit (Kurzarbeitergeld) more flexible

- Facilitation for short-time work - the threshold of employees that need to be affected by it was lowered from 1/3 to 10%
- Already in January the possible period for short-time work was extended from 12 to 24 months
- The Federal Employment Agency will cover 60% of the net salary in case of short term working and will reimburse the social contributions for the lost working hours to the employer
- Partial or complete waiver of the need to build up a negative balance in working hours
- Short-time working allowance will also be available to temporary workers

Tax-related liquidity assistance for businesses

- options for deferring tax payments and reducing prepayments will be enhanced, and enforcement rules will be adapted.
- It will be easier to grant tax deferrals. Revenue authorities will be able to defer taxes if their collection would lead to significant hardship. The revenue authorities will be instructed to not impose strict conditions in this respect.
- It will be easier to adapt tax prepayments. As soon as it becomes clear that a taxpayer's income in the current year is expected to be lower than in the previous year, tax prepayments will be reduced in a swift and straightforward manner.
- Enforcement measures (e.g. attachment of bank accounts) and late-payment penalties will be waived until 31 December 2020 if the debtor of a pending tax payment is directly affected by the coronavirus.

A protective shield with unlimited volume

In a first step, existing liquidity assistance programmes will be expanded to make it easier for companies to access cheap loans. This can mobilise a large volume of liquidity-enhancing loans from commercial banks. To this end, our established instruments complementing loans offered by private banks will be extended and made available to a greater number of companies:

- Conditions for the KfW-Unternehmerkredit (business loan for existing companies) and the ERP-Gründerkredit-Universell (start-up loan for companies that are less than 5 years old) will be loosened by raising the level of risk assumptions (indemnity) for operating loans and extending these instruments to large enterprises with a turnover of up to €2 billion (previously, the limit was €500 million). Higher risk assumptions of up to 80% for operating loans of up to €200 million will increase banks' willingness to extend credit.
- In the case of the "KfW Loan for Growth", the programme aimed at larger companies, the current turnover threshold of €2 billion will be raised to €5 billion. In future, these loans will take the form of syndicated loans and will not be restricted to projects in one particular field (in the past, only innovation and digitalisation projects were eligible). Risk assumption will be increased to up to 70% (from 50%). This will improve larger companies' access to syndicated loans.
- For companies with a turnover of more than €5 billion, support will continue to be provided on a case-by-case basis.
- For guarantee banks (Bürgschaftsbanken), the guarantee limit will be doubled, to €2.5 million. The Federation will increase its risk share in guarantee banks by 10% to make it easier to shoulder risks, which are difficult to assess in times of crisis. The upper limit of 35% of operating resources in guarantee banks' total exposure will be increased to 50%. To accelerate liquidity provision, the Federation is giving guarantee banks the freedom to make guarantee decisions up to €250,000 independently and within a period of three days.
- The large guarantee programme (parallel guarantees from the Federation and the Länder), which was previously limited to companies in structurally weak regions, will be opened up to companies in other

regions, as well. In this programme, the Federation covers operating loans and investments with a surety requirement upwards of €50 million and a guarantee rate of up to 80%.

These measures are covered by existing state aid rules. These special programmes are now being submitted to the European Commission for approval. The Commission President has already indicated that, in light of the coronavirus crisis, she will ensure that state aid rules are applied in a flexible way. The EU and Eurogroup finance ministers will advocate the necessary flexibility on the Strengthening European cohesion.

Greece

- Suspension of payment of VAT, payable at the end of March, for 4 months, in sectors and areas where the business is suspended by government order for more than 10 days.
- Suspension of payment of certified debts to the tax authorities, as well as installments of partial payment arrangements of certified debt, payable at the end of March, for 4 months in sectors and areas where business is suspended by government order for more than 10 months days.
- Corresponding measures are taken for social insurance contributions.
- Establishing a mechanism, based on the available data from the Independent Public Revenue Authority, e-banking transaction and figures from the Ministry of Labour, that will monitor developments in the labour market and social security contributions, so that timely, targeted and effective intervention in the economy and in the regions where there is a significant decline in economic activity.
- Administrative requirements, such as the obligation to report overtime, are suspended in order to facilitate the gradual access of workers to avoid overcrowding in the workplace and public transport. Existing provisions on overtime and minimum rest time are not affected. A facility is provided for teleworking where possible.

Iceland

- Businesses experiencing temporary difficulties due to a fall in revenue will be given flexibility, e.g. extended deadlines for taxes and other public charges.
- Efforts will be made to provide temporary relief to the tourism industry, including temporarily reducing industry-specific tax payments.
- Once the situation returns to normal, a marketing campaign will be launched to promote Iceland as a tourist destination and Icelanders will be encouraged to travel domestically.
- Measures to stimulate private consumption and demand will be enacted, e.g. tax reduction or increased benefits.
- Ongoing and planned infrastructure projects will be accelerated.
- The Government will cooperate with the Icelandic Financial Services Association on their response to foreseeable liquidity and payment difficulties of tourism companies.
- The HF-Fund (former HFF-Fund) will transfer funds from the Central Bank to increase the ability of banks and creditors to provide credit to both companies and individuals.

Ireland

- A €200m Strategic Banking Corporation of Ireland (SBCI) Working Capital scheme for eligible businesses impacted by COVID-19. Loans of up to €1.5m will be available at reduced rates, with up to the first €500,000 unsecured. Applications can be made through the SBCI website.
- A €200m Package for Enterprise Supports including a Rescue and Restructuring Scheme available through Enterprise Ireland for vulnerable but viable firms that need to restructure or transform their business.
- The maximum loan available from MicroFinance Ireland will be increased from €25,000 to €50,000 as an immediate measure to specifically deal with exceptional circumstances that micro-enterprises – (sole

traders and firms with up to 9 employees) - are facing. Applications can be made through the MFI website or through your local LEO.

- The Credit Guarantee Scheme will be available to COVID-19 impacted firms through the Pillar Banks. Loans of up to €1m will be available at terms of up to 7 years.
- the Department of Employment Affairs and Social Protection and the Department of Business, Enterprise and Innovation will provide a joint First Responder support service through the Intreo Offices and development agencies, Enterprise Ireland and IDA Ireland in each region to provide tailored supports for impacted firms, with objective of avoiding mass lay-offs and buying time for firms to work through the short-term disruptions.
- Firms that need to reduce hours or days worked can avail of the Department of Employment Affairs and Social Protection Short Term Work Support by contacting their local Intreo Office, see gov.ie/en/service/c20e1b-short-time-work-support.
- The full range of Enterprise Ireland, IDA Ireland, Local Enterprise Office and Údarás na Gaeltachta grant supports will be available to firms to help with strategies to innovate, diversify markets and supply chains and to improve competitiveness.

Italy

- Suspension of payments and bills due until April 30, of the favourable loans issued by Invitalia for a period of 12 months.
- Measures to support families, employees and self-employed workers and to strengthen social safety nets for the production units operating in the "red zone"
- Measures to support companies which are indirectly affected by the sanitary emergency with an increase of the Guarantee Fund for SMEs and, for 12 months, priority should be given to the guarantee of the concession of credit to those SMEs operating in the "red zone".
- Measures for the Tourism sector: suspension of withholding and contribution payments until March 31 for hotels, travel agencies and tour operators; specific forms of compensation for users who have not been able to travel to and from the "red zone" or take advantage of tourist packages due to the containment and prevention measures for the spread of COVID-19 ordered by the Italian or foreign authorities.

Confindustria asks to:

- Relaunch of public investments and of infrastructures, as the main engine of economic growth
- Big investment plan at European level
- Measures to grant liquidity to companies
- Employment support measures, using social safety nets to support sectors and sectors in crisis
- Launch of a new and wide program of simplification
- Stimulus to youth employment
- Action plan to attract, stimulate and relaunch private investments.

Malta

- Taxes due in March and April, including provisional tax, VAT and social security contributions, have been postponed to a future date
- Incentives/grants for companies to invest in teleworking equipment

Netherlands

- Companies can delay payments of corporate income taxes, social contributions and VAT.

- Fines to companies for late payments can be remitted.
- Rules on short-time working have been expanded. Entrepreneurs need to show that their enterprise's activity will be reduced by at least 20% in working hours due to corona virus.

Government has promised more measures in the following days.

Norway

The Norwegian government has taken strong measures to fight the Covid-19;

- "closed" the borders and banned foreigners from entering the country/to be put in quarantine for 14 days, goods will still be allowed to enter
- closed all schools and universities,
- closed bars, restaurants etc. but shops are still allowed to be open
- banned sectors treating people from operating (hairdressers, phycists, opticians, dentists etc)
- closed down non essential public offices for public availability.

On March 16 a settlement was presented that includes, among others, the following measures:

- The employer's period of layoff is reduced from 15 to 2 days.
- The employer period for sick pay and care allowance is reduced to 3 days. This will mean a lot to businesses in a very demanding situation. Employers do not receive an extra bill when the workforce disappears. This applies to sick pay related to the coronary pandemic.
- Self-employed and freelancers receive sickness benefits from day 3, and care money from day 4.
- The period of care money (for parents staying home with children home from school) is doubled.
- Deferred VAT payment. Payment of the employer's contribution on May 15 and VAT on April 15 this year is postponed. The 12 percent VAT rate is reduced to 8 percent. Along with deferred payment of other taxes, these are crucial measures in a period when companies have limited revenues. We also have to gradually clarify whether companies can be exempted from any taxes and fees.
- Apprentices now receive an income hedge on par with apprenticeship pay.
- Self-employed persons also receive an income hedge equivalent to 80 per cent of average income for the past three years, limited up to 600.000 NOK/60.000 EUR.
- Employees receive a "full salary" for 20 days upon termination. The cost is distributed with two days to the employer, and then 18 days from the state with pay, but limited up to 600.000 NOK/ 60.000 EUR. This will ease the burden on many jobs.
- The income limit for receiving unemployment benefit is set at 0.75 G (7.500 EUR). This group also ensures at least 80 per cent of its income up to 3G during the layoff period.

In addition there will be more credit available;

- Loan and guarantee schemes for business on a total of NOK 100 billion (EUR 10 billion)(more if needed) to help ensure that the companies get the credit they need. The credit will be handled through the ordinary banks.
- The Norwegian central bank has lowered its interest rate to 1% and reduced the capital demands for banks to free capital for businesses

Portugal

- Credit line, with state guarantee, to support companies' cash flow (200 M €).
- 12-month moratorium on repayment of reimbursable grants (incentive systems) for the most impacted companies.
- Postponement of tax payments

- Simplified regime of temporary lay off for companies having their activity suspended for reasons related to the epidemic. Workers receive 2/3 of their wage, of which 30% is paid by the employer and 70% by social security. During lay off (and one more month), companies are exempt from social security contributions.

Spain

Measures from 12 March Supporting business activity:

- flexibilization allowed for tax payments during a period of six months, which would inject 14 billion euro of liquidity;
- opening of a specific credit line through the Official Credit Institute for 400 million Euro to cope with liquidity needs of companies and self-employed people in the tourism sector;
- extension of Social Security subsidies for permanent seasonal contracts in tourism, retail and restaurants linked to touristic activity; and
- a request has been sent to the European Commission to introduce an exemption from the slot-use obligations for the next seasons.

Spanish Social Partners are asking to:

- Introduce flexibility and easing the legal procedure in relation to temporary lay-offs, due to force majeure reasons.
- Social security coverage must be assured for permanent seasonal employees who may be affected at work;
- With respect to those employees isolated or in risk of contagion, they shall receive a supplement of up to 100% of their salaries. However, the Government must draw up a proceeding to process withdrawals and registrations, in order to provide with legal certainty.
- Precise legal provisions should be considered foreseeing childcare and elderly care, including contributions to social security.
- Teleworking should be allowed in case of extraordinary public health reasons, even in the bosom of companies or sectors where teleworking has not been implemented yet.

Sweden

- The Government intends to submit the proposals to Parliament in the extra amending budget decided by the Government on 19 March.
- Depending on how the situation develops, the crisis package that the government is presenting can include over SEK 300 billion if the entire liquidity enhancement through the tax account is utilized.
- Short term leave is introduced today
- The proposal means that the employer's salary costs can be reduced by half by the state accounting for a larger cost. The construction is similar to short-term work, but the degree of subsidy is greatly increased. The employee receives more than 90 percent of the salary. The purpose is to save Swedish jobs.
- It is proposed that the proposal for short-term permits come into force on 7 April and will apply in 2020, but it will apply from today 16 March.
- The state takes over the sick pay responsibility for two months
- The state is proposed to temporarily take the full cost of all sick pay costs in April and May. Self-employed persons are also compensated by receiving a standardized sickness benefit for days 1-14.
- Liquidity boost through the tax account
- The proposal means that companies can be deferred with payment of employer contributions, preliminary tax on salary and value added tax, which are reported monthly or quarterly.

- Corporate deferral includes three months' tax payments and is submitted for a maximum of 12 months. This replaces the previously presented proposal.
- The new rules are proposed to apply on April 7, 2020, but can be applied retroactively from January 1, 2020. This means that companies that have paid tax in their tax account for January to March can receive tax refund from the Swedish Tax Agency. Deferrals will only be granted to companies that do not neglect their finances or are otherwise rogue. Nor can deferrals be granted to companies that have larger tax liabilities.
- The proposals on deferment and short-term now go to the Law Council for quick handling.
- Overall financial measures in Sweden so far
- The state will compensate municipalities and regions for extraordinary measures and additional costs in health care and care linked to the corona virus.
- In order to reduce the spread of infection in the community, the deduction is cancelled between March 11 and May 31 by paying the sickness benefit for the first day of the illness.
- The public health authority, the National Board of Health and the Swedish Medicines Agency receive additional resources.
- Resources are increased for the so-called infectious carrier allowance as the number of individuals entitled to this allowance is assumed to increase.
- The state temporarily takes over the sick pay responsibility for two months.
- Liquidity enhancement is provided through the tax account for VAT, employer contributions and employees' provisional tax from 1 January.
- Short-term leave is introduced from 16 March.
- In addition to the government's measures, the Swedish Central Bank has announced that they lend up to SEK 500 billion to companies through the banks to secure the credit supply.
- Finansinspektionen (Sweden's financial supervisory authority) has announced that it will reduce the countercyclical capital buffer to zero in order to safeguard a well-functioning credit supply.

UK

- The government will bring forward legislation to allow small- and medium-sized businesses and employers to reclaim Statutory Sick Pay (SSP) paid for sickness absence due to COVID-19. The eligibility criteria for the scheme will be as follows:
 - This refund will cover up to two weeks' SSP per eligible employee who has been off work because of COVID-19
 - Employers with fewer than 250 employees will be eligible. The size of an employer will be determined by the number of people they employed as of 28 February 2020
 - Employers will be able to reclaim expenditure for any employee who has claimed SSP (according to the new eligibility criteria) as a result of COVID-19
 - Employers should maintain records of staff absences, but employees will not need to provide a GP fit note
 - The eligible period for the scheme will commence the day after the regulations on the extension of Statutory Sick Pay to self-isolators comes into force
 - The government will work with employers over the coming months to set up the repayment mechanism for employers as soon as possible. Existing systems are not designed to facilitate employer refunds for SSP.
- The government will increase the Business Rates retail discount to 100% for one year and expand it to the leisure and hospitality sectors, and increase the planned rates discount for pubs to £5,000. Taken together with existing small business rate relief (which provides full relief for businesses using a single property with a rateable value of £12,000 or less), an estimated 900,000 properties, or 45% of all properties in England, will receive 100% business rates relief in 2020/21.

- The government will provide an additional £2.2 billion funding for local authorities to support small businesses that already pay little or no Business Rates because of Small Business Rate Relief (SBRR). This will provide a one-off grant of £3,000 to around 700,000 business currently eligible for SBRR or Rural Rate Relief, to help meet their ongoing business costs. For a property with a rateable value of £12,000, this is one quarter of their rateable value, or comparable to 3 months of rent.
- A new temporary Coronavirus Business Interruption Loan Scheme, delivered by the British Business Bank, will launch in a matter of weeks to support businesses to access bank lending and overdrafts. The government will provide lenders with a guarantee of 80% on each loan (subject to a per-lender cap on claims) to give lenders further confidence in continuing to provide finance to SMEs. The government will not charge businesses or banks for this guarantee, and the Scheme will support loans of up to £1.2 million in value. This new guarantee will initially support up to £1 billion of lending on top of current support offered through the British Business Bank.
- All businesses and self-employed people in financial distress, and with outstanding tax liabilities, may be eligible to receive support with their tax affairs through HMRC's Time To Pay service. These arrangements are agreed on a case-by-case basis and are tailored to individual circumstances and liabilities. These businesses can contact HMRC's new dedicated COVID-19 helpline from 11 March 2020 for advice and support. To ensure ongoing support, HMRC have made a further 2,000 experienced call handlers available to support firms and individuals when needed.

Economic measures in third countries

South Korea

11,7 trillion won supplementary budget plan, among others for measures such as,

- Expand the emergency loans for business operation, and provide facilities investment support for SMEs in the disease-hit areas of Daegu City and North Gyeongsang Province
- Provide loan guarantees through the Korea Credit Guarantee Fund and Korea Technology Finance Corporation
- Invest in accounts receivable insurance funds
- Invest in export financing
- Provide wage support for small merchants
- Promote a rent cut in traditional markets by offering 100 percent support for fire prevention in the entire market in the case of at least 20 percent of shops getting rent cuts
- Support the resuming of business after shut-down due to a visit by the virus-infected
- Promote expanding to online markets
- Provide retailers in traditional markets with vouchers designed to support their marketing activities, such as joint promotion
- Issue vouchers for local products
- Give a 20 percent raise in wages to seniors in government's elderly job programs if they agree to receive 30 percent of their pay in local gift certificates
- Redeem 10 percent of the prices paid for home appliances with a high-energy efficiency rating
- Increase the budget for homecare allowance in the case of childcare shifting from daycare institutions to homecare
- Increase job seekers' allowance for young adults, and reintroduce job seekers' allowance for those from low income households
- Expand the employment support designed to promote employment retention and job training

United States

On Sunday March 15 the US Federal Reserve announced

- Its second rate cut during the coronavirus outbreak, the Fed lowered its interest rate by own 1 percentage point, down to zero (0.25% for some rates).
- It also announced it will purchase 700 billion dollar worth of Treasury bonds and mortgage-backed securities (quantitative easing)
- The existing dollar liquidity swap lines with European countries and Japan will also be strengthened

The US Chamber of commerce asks to:

- **enact legislation cancelling the payment of all payroll taxes typically paid by employers for the months of March, April, and May.** Each month, employers remit more than \$100 billion to the federal government in the form of Social Security, Medicare, and unemployment taxes. Collectively, these taxes add just over 15% to the cost of employing the average employee. Temporarily cancelling the collection of these taxes will reduce the cost for employers for continuing to pay employees regardless of whether they are working or on sick leave and increase liquidity for employers to help them respond to losses in revenue. Further, for employers with fewer than 500 employees, cancellation of the taxes combined with the refundability for paid sick and family leave included as part of the Families First Coronavirus Response Act will provide meaningful additional financial support.
- **enact legislation expanding and streamlining loan programs for small businesses with fewer than 500 employees experiencing revenue loss as a result of the Coronavirus.** The Small Business Administration (SBA) disaster loan program for those impacted by the Coronavirus should be immediately made available nation-wide, eliminating the state-by-state and county-by-county certification process. Additionally, we recommend giving SBA the authority to streamline its disaster loan approval process for amounts below \$350,000 in order to provide emergency capital more quickly to small businesses in need. This should include removing the requirement that small businesses demonstrate that they cannot access credit elsewhere before receiving a SBA-disaster loan.
- **enact legislation enabling the creation of credit facilities to provide loans and loan guarantees to employers with more than 500 employees experiencing significant revenue loss as a result of the Coronavirus.** Specifically, legislation should expand the use of the Federal Reserve Discount Window through the liberalization of the restrictions of Section 13-3 of the Federal Reserve Act. Then the U.S. Treasury, Federal Reserve, Office of the Comptroller of the Currency (OCC) and the Federal Deposit Insurance Corporation (FDIC) should work in combination with banks to establish a system of credit facilities, to provide loans and loan guarantees that can be accessed by businesses with more than 500 employees to address disruptions created by the Coronavirus emergency. Banking regulators should temporarily suspend and review requirements such as the Liquidity Coverage Ratio and provide flexibility in their supervisory expectations for banks extending credit to businesses. These actions should allow for an orderly operation of a program of loans and loan guarantees.

Japan

Expanding special measures on the Employment Adjustment Subsidies

- Due to the impacts of COVID-19, some businesses are forced to curtail their operations in response to the slow-down of the flow of people and goods. The government will significantly expand special measures on the Employment Adjustment Subsidies so as to protect employment and secure the stability of the people's lives even in such a situation. Expand the scope of the special measures to all business owners, clarify eligibility criteria (such as simultaneous closure), and apply retroactively back to January, 2020.

- Increase the subsidy rate for certain areas (SMEs: increase from 2/3 to 4/5; large enterprises: from 1/2 to 2/3)

Robust liquidity supports

- In order to overcome the impacts on local economies, including those from self-restraint from holding events, and bring businesses back on a growth track after the disease is under control, the government will implement financial measures totaling 1.6 trillion yen from the Japan Finance Corporation and other institutions, primarily focusing on micro, small and medium-sized business operators.
- Establish a COVID-19 special loan program (on the scale of 500 billion yen) and reduce the interest rate, as well as provide real interest-free, unsecured financing support to micro, small and medium-sized business operators and others
- Applying safety net guarantee system No. 4 (100%) and No. 5 (80%) of credit guarantee corporations, as well as crisis-related guarantees (100%)
- Support financing and reorganization of domestic supply chains through operations to facilitate crisis response by the Development Bank of Japan (DBJ), and the Shoko Chukin Bank (on the scale of 204 billion yen)
- Call for private financial institutions to actively provide new loans and change terms for existing debt

Responses for the damages to supply chains

- Taking into consideration the burdens on micro, small-, and medium-sized business operators, the government will enable expedited assistance, regarding priority supports on capital investments to respond to the damages, including those on supply chains, and for business owners who work to cultivate new sales channels
- Make use of the Growth Investment Facility and other measures of the Japan Bank for International Cooperation (JBIC) (on the scale of up to 500 billion yen)
- Support reorganization of domestic supply chains through the DBJ, etc (same measure as previous item)

Measures for the tourism industry

- The prevention of the spread of infections is the premise of the recovery of tourism demand. The government will strongly support the tourism industry through the Employment Adjustment Subsidy and liquidity supports for the time being. At the same time, regarding the period in which the government is working on prevention as a forward-looking “run-up” period, the government will develop a foundation to prepare for a turnaround in the future, identifying this infection control period.
- Provide supports in various fields such as diversification of attractions, including the development of attractive tourism content and multilingual signs.
- Consider a post-COVID-19 campaign through the collaboration of the public and private sectors

Strengthening comprehensive supports through promoting the use of the self-reliance support system for people in need

- The government encourages the local governments to provide comprehensive supports tailored to people in need, including those who had to leave their jobs or have decreased incomes due to the impacts of COVID-19.