

News Flash

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New compensation programs in the Czech Republic – what are the drawing conditions?

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In connection with the new governmental measures aiming to prevent the spread of disease Covid-19, the Government, apart from the current programs (mainly Antivirus, compensation bonus and other sectoral programs), approved new financial aid programs, namely **COVID-2021** and **COVID-Uncovered costs** (hereinafter each as “**Program**”). Receipt of applications starts these days – the applications will be submitted through the AIS MPO portal (portal of the Ministry of Industry and Trade).

Please, be advised that one **applicant cannot apply** for financial aid under COVID-2021 and COVID-Uncovered costs **at the same time**, since they are alternative programs. Also, they cannot be combined with compensation bonus provided by the Ministry of Finance for the same or part of the relevant period.

Program	COVID-2021	COVID-UNCOVERED COSTS
Relevant period	From the 11 January to the 31 March 2021	From 1 January 2021 to 31 March 2021
Eligible applicant	<p>An applicant is an entrepreneur (natural or legal person) who carries out a business activity under Act No. 455/1991 Coll., on Trade Licensing (Trade Licensing Act), as amended;</p> <p>An applicant did not exceed limit under point 3.1 of the EU Temporary Framework up to the amount of EUR 1,8 million.</p>	<p>An applicant is an entrepreneur (natural or legal person) who carries out a business activity under Act No. 455/1991 Coll., on Trade Licensing (Trade Licensing Act), as amended;</p> <p>An applicant did not exceed limit under point 3.12 of the EU Temporary Framework which amounts to EUR 10 million.</p>
Terms of provision	<p>Applicant's sales (revenue from business activity and sale of goods) decreased by 50% in comparison to the same period of year 2019 or 2020 (an applicant, who was established or started to carry on business after 1 January 2021 can pick any three consecutive months in year 2020 for the comparison);</p> <p>An applicant has at least one employee that can be expressed as an equivalent to a full-time job;</p> <p>Eligible costs are for example personnel costs, material costs, services (e.g. leasing), depreciation, taxes and charges, loan repayments, overheads, etc., incurred from 1 February 2020 to 31 March 2021.</p>	<p>Applicant's turnover decreased by minimally 50 % in comparison to the same period of year 2019 or 2020 (an applicant, who was established or started to carry on business after 1 January 2021 can pick any three consecutive months in year 2020 for the comparison), and;</p> <p>At the same time has “uncovered costs” incurred during the Relevant Period which means, for the purposes of the Program, loss reduced by temporary aid that was granted to the applicant or for which he applied under point 3.1 of the EUR Temporary Framework (such as COVID-Rent, Antivirus, COVID-Gastro or other targeted programs).</p>

<p>Documents required</p>	<p>Identification of the comparison period and justification for the decrease in sales;</p> <p>Identification of employees (in an employment relationship, co-operating persons, managing directors with a contract of performance that were to the date of registered at the Czech Social Security to pay premiums on 11 January 2021);</p> <p>An affidavit of an applicant stating that he is an eligible applicant and fulfils all the requirements of the Program – this part is included in the application itself.</p>	<p>Modified profit and loss account for the Relevant Period compiled according to Annex No. 2 of the Call released by the of the Ministry of Industry and Trade (MPO);</p> <p>Statement on turnover decrease for the Relevant Period compared to corresponding period compiled according to Annex No. 2 of the Call released by the MPO;</p> <p>Overview of all state aid granted to the applicant or for which he applied under point 3.1 of the EUR Temporary Framework compiled according to Annex No. 2 of the Call released by the MPO;</p> <p>An affidavit of the applicant stating that he is an eligible applicant and fulfils all the requirements of the Program – this part is included in the application itself.</p>
<p>Submission of applications</p>	<p>12 April 2021 from 9:00 to 31 May 2021 to 16:00</p>	<p>19 April to 19 June 2021</p>
<p>Maximum amount of financial aid per applicant</p>	<p>CZK 500 multiplied by the number of employees multiplied by the number of days in the Relevant Period;</p> <p>In case the applicant had less than 3 employees to the date of the 11 January 2021 the financial aid amounts to CZK 1,500 per day.</p>	<p>CZK 40,000,000</p>

We will be happy to provide you with our advisory services regarding this financial aid. We can offer you a professional assessment of whether the financial aid applies to you, the preparation of a list of all the essential steps and documents necessary to participate in the financial aid program, or we will gladly represent you in the entire grant procedure. This will save you a lot of time and hassle associated with submitting applications (also taking into account the significant technical problems reported by the systems).

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About Accace Czech Republic

Accace Czech Republic was founded in 2007 in Prague, while the branches in Brno and Ostrava followed in 2009 and 2016. Accace ranks among the leading outsourcing and consultancy providers on the Czech market with almost 270 professionals and more than 500 clients. As a part of the Accace Group, we provide a comprehensive range of accounting, payroll, tax, legal and corporate services to over 2,000 customers, from local companies to large multi-country outsourcing projects.

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