

CORONAVIRUS

Swiss Package of Measures



Coronavirus pandemic - RSM stands by its clients

We will continue to offer you tailor-made solutions to solve your specific wishes and problems. If you have any questions and/or comments for RSM, please do not hesitate to contact u

Package of Measures

| | |
|---|---|
| 1 | Cash flow support for companies |
| 2 | Extending and simplifying short-time working |
| 3 | Compensation for work losses for the self-employed |
| 4 | Compensation in the event of an employee's work losses |
| 5 | Cultural sector: 280 million Swiss francs in emergency aid and default compensation |
| 6 | Sport organizations: 100 million Swiss francs subsidies |
| 7 | Tourism and regional policy |
| 8 | Further measures in the field of the Labour Code |
| 9 | Specific cantonal measures |

1 Cash flow support for companies

a) Emergency aid through guaranteed COVID-bridging-loans

SME's (individual companies, partnerships, legal entities) receive bridging loans from the banks. The **loans can be applied for at the bank**. They are covered by the federal government. The relevant regulation **will enter into force on 26 March 2020**, from **which credit applications may** be made.

The loan application is available on the website **covid19.easygov.swiss**:

| | up to CHF 500,000 | from CHF 500,000 |
|---------------------|---|---|
| Amount | up to CHF 500,000 | between CHF 500,000 and CHF 20 million |
| Cover | 100 percent guaranteed by the federal government | 85 percent guaranteed by the federal government, 15 percent by the bank |
| Interest | currently 0 percent p.a. | currently 0.5 percent p.a. on the 85 percent federally secured loan and an individually determined risk-based interest rate on the remaining 15 percent |
| Condition | Company based in Switzerland, founded before 1 March 2020, turnover less than CHF 500 million | Company based in Switzerland, successfully completed COVID-19 CREDIT, credit audit |
| Availability | within a few hours of receipt of the documents by the bank | within a few days |

Since many SME only have an account connection with **PostFinance**, the Federal Council also allows PostFinance to provide its existing corporate customers with unbureaucratic access to loans of up to CHF 500,000.

b) Deferred payment for social security contributions

Granting of **temporary, interest-free deferral of payments for social security contributions (AHV/IV/EO/ALV)**. In addition, it is possible to adjust the regular on-account contributions to the AHV/IV/EO/ALV if the sum of the wages has fallen substantially. The same applies to self-employed persons whose sales have slumped.

The Federal Council has also decided that employers may temporarily **use the employer contribution reserves they have set up for the payment of employee pension contributions**. This measure is intended to make it easier for employers to overcome liquidity bottlenecks. For the employees, the measure has no effect: the employer deducts their contribution part from their salary as in normal circumstances and all contributions are credited to them by the pension fund.

c) Cash flow buffer in the tax area and for federal suppliers

Possibility to **extend payment periods without having to pay late interest**:

- For **VAT, customs and other duties** between **21 March 2020 and 31 December 2020**, the **interest rate is to be reduced to 0.0%**; **no late interest** will be charged during this period.

- The **same rule applies to direct federal** tax from 1 March 2020 until 31 December 2020.
- **Tax credits** of taxpayers should be checked quickly and **paid out as soon as possible**.

d) **Legal standstill in accordance with the Federal Act on Debt Recovery and Bankruptcy (SchKG)**

From 19 March to 4 April 2020, debtors may not be debt enforced throughout Switzerland. At its meeting on 18 March 2020, the Federal Council ordered the corresponding so-called legal standstill in the enforcement system.

2 Extending and simplifying short time working

The short time working allowance instrument makes it possible to compensate for temporary job reductions and to preserve jobs. The entitlement to short time working allowances will be extended and applications simplified. New also:

- **employees in fixed-term employment**
- **persons in the service of a temporary work organization**
- **persons in the apprenticeship**
- **employer-like employees (e.g. shareholders of a limited liability company who work as employees in the company against remuneration)**

The **waiting period for short-time work allowances is abolished** (this eliminates the participation of employers in the work absences). Now, workers no longer have to reduce their overtime before they can benefit from short-time work allowances. Urgent simplifications are being made for the application process and payment with regard to short time working (e.g. possibility of advance payment of wages due).

In addition, the **duration of short-time work has been extended from 3 to 6 months**. This minimises the number of applications and thus speeds up the authorization process.

The short-time working allowance for **employer-like employees** (e.g. shareholders of a limited liability company who work as employees in the company against remuneration), **is also be adapted**. They receive **3320.- Swiss francs for a full-time job. This is a flat rate** which does not receive any reduction.

3 Compensation for work losses for the self-employed

Self-employed persons who suffer loss of earnings due to official measures to **combat the coronavirus will be compensated, unless compensation or insurance benefits already exist**. Compensation is provided **for the following cases**:

- School closures
- medically prescribed quarantine
- closure of a self-managed public-accessible business
- freelance artists (cancellation event)

4 Compensation in the event of an employee's work losses

Compensation is provided **for the following cases**:

- Parents (who have to interrupt their employment due to school closures in order to look after their children)
- Compensation is also available in the event of an interruption of work due to a quarantine prescribed by a doctor.

5 Cultural sector: 280 million Swiss francs in emergency aid and default compensation - Compensation is provided for the following cases:

Compensation is provided for the following cases:

- Non-profit cultural enterprises, such as foundations, can receive repayable interest-free loans to ensure their cash flow.
- "Cultural workers" may claim non-repayable emergency aid to cover the direct cost of living, unless this is guaranteed by the new regulations regarding compensation for work loss.
- Compensation for financial damage, in particular with the cancellation or postponement of events or closures of business.

6 Sports organizations- 100 million Swiss francs of subsidies

Compensation is provided for the following cases:

- 50 million Swiss francs as repayable loans to bridge cash flow shortages for organizations which either operate in a league of Swiss sport operating on a mainly professional sport-level or organize competitions for the professional sport-level.
- 50 million Swiss francs as subventions in the event of existential problems to organizations based on volunteer work and mainly promoting mass sport.
- Gentle treatment of interruptions in specific education programs in the sports sector.

7 Tourism and regional policy



Emergency measures have already been implemented under the tourism policy support instruments since February 2020. The focus is on information and consulting activities as well as measures to bridge cash flow bottlenecks. The main measures are, in particular loan waivers and deferrances.







8 Further measures in the field of the Labour Code





Hospitals and clinics are particularly demanding in the current situation. Due to the extraordinary workload and the scarce human resources, they are not able to use the staff in such a way that all legal




requirements are complied with. They are therefore given as much flexibility as possible in working and rest periods.


9 Specific cantonal measures



| Instruction | Measure | Details: | For whom? |
|---|--|--|--|
|  | Green (see symbol left) are tax measures decided by the authorities | Here are selected details of the measures described | Who exactly can benefit from the measures |
|  | Blue (see symbol left) are other measures decided by the authorities | Ditto | Ditto |






| Zurich | Measure | Details: | For whom? |
|---|--|---|---|
|  | Tax declaration 2019 deadline extension | Till 31 May 2020 | Individuals |
|  | Amendment of provisional tax bills / extension of payment deadline for final tax bills | Accommodating treatment of requests for amendment and extension of tax bills | Individuals and companies |
|  | Amendment of payment modalities | Incoming bills are paid quicker than 30 days , invoiced bills have a payment deadline of 120 days | |
|  | Supporting loans with low interest rate | Loans for small and middle-sized enterprises SME | Companies with up to 250 employees |
|  | Loans from the lottery fund | Quick and uncomplicated support of loans for the self-employed | Self-employed |
|  | Support from the jubilee dividend ZKB | Loans for charitable organizations in the culture, education and sports area | Charitable organizations |


| Basel | Measure | Details: | For whom? |
|---|--|---|---------------------------|
|  | Tax declaration 2019 deadline extension | Till 31 May 2020 | Individuals |
|  | Tax declaration 2019 deadline extension | Until 30 September 2020 online possible without fee | Individuals and companies |
|  | Amendment of provisional tax bills / extension of payment deadline for final tax bills | Accommodating treatment of requests for amendment and extension of tax bills | Individuals and companies |
|  | Total tax exemption | In cases of strong hardship even after amendments it is possible to request a full tax exemption | Individuals and companies |










| Basel-country | Measure | Details: | For whom? |
|---|--|--|--|
|  | Amendment of provisional tax bills / extension of payment deadline for final tax bills | Accommodating treatment of requests for amendment and extension | Individuals and companies |
|  | Abolishment of late interest | For cantonal and communal tax until 31 December 2020 | Individuals and companies |
|  | "Small" nonrefundable loans | Loans to secure the wage costs <ul style="list-style-type: none"> - Fixed CHF 7'500 - Variable CHF 250 additional per employee Nonrefundable loans with a duration of max. 2 years | Companies (mainly SME) Max. CHF 10'000 per recipient |



| Graubünden | Measure | Details: | For whom? |
|---|--|---|------------------------------|
|  | Supporting loans with low interest rate | Loans are fully covered by the canton given that: | Max. CHF 5 million or |







| | | | |
|---|--|--|--|
| | | <ul style="list-style-type: none"> - All loans by the federation have been distributed - Proven liquidity shortage - Approval by the bank | 15% of total sales per company |
|  | Amendment of provisional tax bills / extension of payment deadline for final tax bills | Accommodating treatment of requests for amendment and extension of tax bills | Individuals and companies |
|  | Amendments payment modalities | Incoming bills are paid as soon as possible , invoiced bills are granted a longer payment period | Individuals and companies |

| St. Gallen | Measure | Details: | For whom? |
|---|--|---|---|
|  | Tax declaration 2019 deadline extension | Till 31 May 2020 | Individuals |
|  | Additional delay of tax declaration 2019 | Possible | Individuals and companies |
|  | Amendment of provisional tax bills / extension of payment deadline for final tax bills | Accommodating treatment of requests for amendment and extension | Individuals and companies |
|  | Late interest | No suspension of late interest on cantonal and communal tax bills | Individuals and companies |
|  | Supporting loans with low interest rate | In addition to the loans granted by the Federation Maturity of 5 years (max.+2 years) | Max. CHF 500'000 or 5% of total sales per company |

| Bern | Measure | Details: | For whom? |
|---|--|--------------------------------|-------------------------|
|  | Tax declaration 2019 deadline extension | Until 15 September 2020 | Individuals, companies, |



| | | | |
|---|--|--|------------------------------|
| | | | people taxed at source |
|  | Additional delay of tax declaration 2019 | Possible | Individuals and companies |
|  | Suspension of debt operations | Until 30 June 2020 for all cantonal debts | Individuals and companies |
|  | Abolishment of late interest | For cantonal and communal tax 2020 | Individuals and companies |
|  | Amendments provisional tax bills | It is possible to recalculate the provisional tax and pay an adjusted amount. | Individuals |
|  | New compensation interest – advance payments | If taxpayers make advance payments in height of the original amount, they receive 0.5% credit interest | Individuals |
|  | Restoration of legal deadline | In case a taxpayer was not able to meet a legal deadline, it is possible to restore it with a respective explanation why the deadline could not be met (within 30 days) | Individuals and companies |
|  | Declaration for real estate property tax deadline extension | Delay until 30 June 2020 | Individuals and companies |
|  | Emergency decree Implementation of Art. 3-4 measures for the health care sector (26 March 2020) | <ul style="list-style-type: none"> - Compensation of forfeiture of other operations - Cover of shortfall of Covid-19 treatments - Prolongation of loans - Covering of personnel and infrastructure expenses | Hospitals and clinics |
|  | Emergency decree Implementation of Art. 5-8 | The rent for property of the canton can be deferred . Incoming bills are paid as soon as possible , invoiced | Individuals and companies |

| | | | |
|---|---|--|--------------------------------|
| | | bills are granted a longer payment period. | |
|  | Emergency decree Implementation of Art. 9 -11; First tranche | First tranche of loans with low interest rate to support the competitiveness of the economy of the canton. Aimed so support of R&D activities of technology-oriented companies. | Technology-oriented businesses |
|  | Supporting loans with low interest rate | Support of caritative organizations in the areas of culture, social services and sports, excluding public law obligations | Individuals and companies |







| Aargau | Measure | Details: | For whom? |
|---|--|---|---|
|  | Tax declaration 2019 deadline extension | Till 30 June 2020 | Individuals |
|  | Tax declaration 2019 deadline extension | Till 30 September 2020 | Self-employed, companies, Agriculturists |
|  | Amendment of provisional tax bills | It is possible to recalculate the provisional tax and just pay the new amount. | Individuals |
|  | Extension of payment deadline for final tax bills | Accommodating treatment of requests for amendment and extension | Individuals and companies |
|  | Suspension of debt operations | Until 30 June 2020 for all cantonal debt | Individuals and companies |
|  | Establishment of a special provision | If a company has either suffered strong losses due to the pandemic or had to shut down due to governmental order it is entitled to book a special provision for the 2019 financial year. This provision | Especially heavily affected companies (cases are assessed by the department of finance and resources) |

| | | | |
|--|--|--|--|
| | | must be dissolved in the financial year 2020 . | |
|--|--|--|--|







| Geneva | Measure | Details: | For whom? |
|---|--|---|--|
|  | Tax declaration 2019 deadline extension | Till 31 May 2020 | Individuals (incl. taxed at source individuals) |
|  | Amendment of provisional tax bills | No late payment interests on instalments payments between 24 March and 31 December 2020 | Individuals |
|  | Business loans by the FAE | The FAE offers a possible cash advance of up to CHF 300'000 per application . This advance would be interest-free, unsecured and repayable in principle over 7 years | Geneva self-employed and companies which have a lack of cash due to Covid-19 and a viable long-term business model |
|  | Business loans by the FONDETEC | Interest-free loans | Self-employed, PME |

| Vaud | Measure | Details: | For whom? |
|---|---|--|--|
|  | Coopérative vaudoise de cautionnement (CVC) guarantees | In the event of bank financing difficulties, the firm must apply to the Coopérative de Cautionnement Vaudois (CVC) | Vaud self-employed and companies which have a lack of cash due to Covid-19 and a viable long-term business model |
|  | Activation of the Cantonal Unemployment Fund | - Cash advances pending compensation payments; - Funding of the waiting period (2 days/month). | |


| Vallis | Measure | Details: | For whom? |
|--------|---------|----------|-----------|
|--------|---------|----------|-----------|






| | | | |
|---|---|---|-------------|
|  | Tax declaration 2019 deadline extension | Till 31 May 2020 | Individuals |
|  | Establishment of a special provision | Companies that have suffered directly and indirectly from the negative consequences of the coronavirus epidemic can set aside an extraordinary provision for the 2019 financial year . This provision must be dissolved in the financial year 2020 | Companies |
|  | Provisional tax bills | Interest on arrears for cantonal taxes, with the exception of withholding tax, will not be charged from 1 April to 31 December 2020 | Individuals |
|  | Withholding tax | The deadline for the payment of withholding tax in relation to the first quarter of 2020, which falls due on 30 April 2020, is extended to 30 June 2020 . The deadline for requesting a review of the withholding tax is extended from 31 March 2020 to 31 May 2020 | Companies |
|  | CCF guarantees | A guarantee from CCF SA could be envisaged if the 10% from the Federation is not sufficient | Companies |
|  | State Loans (LIM or NPR) | No annuities on state loans (LIM or NPR) will be charged in 2020. Annuities already paid since 1 January can be reimbursed at the request of the | Companies |

| | | | |
|--|---------------------------------|--|----------------------------|
| | | companies concerned and loan contracts will be extended by one year | |
| | Cantonal employment fund | Emergency aid , subsidiary to the measures decided by the Federation and insurance companies, in favour of cases of hardship. | Heavily affected companies |

| Neuchâtel | Measure | Details: | For whom? |
|---|---|---|----------------------------------|
|  | Tax declaration 2019 deadline extension | Possibility to request, free of charge, a deadline extension | Individuals |
|  | Freeze of summations | Freeze on summations and transfer of litigation files to litigation | Individuals |
|  | Payment deadline for final tax bills | Elimination until the end of June of compensatory interest and default interest calculated under a payment arrangement . Interest on arrears received outside the arrangement shall remain unchanged | Individuals |
|  | Property tax | Property tax for individuals will not be sent until at least May 2020 | Individuals |
|  | Cantonal interest-free loans | The loans will take the form of a single payment of CHF 5'000, CHF 10'000 or CHF 10'000 or CHF 15'000 , repayable over 24 months | Small companies or self-employed |
|  | Innovation supports | Aid for economic development , amounting to CHF 4 million to support PME active in strategic areas of activity which continue to invest in particularly promising | PME |

| | | | |
|--|--|---|--|
| | | development projects despite the crisis | |
|--|--|---|--|

| Fribourg | Measure | Details: | For whom? |
|---|---|---|------------------|
|  | Tax declaration 2019 deadline extension | Till 30 June 2020 For Fribourg taxpayers who would have paid for an extension of the deadline, it is extended until 31 August 2020 | Individuals |

| Jura | Measure | Details: | For whom? |
|---|---|---|--|
|  | Tax declaration 2019 deadline extension | Till 14 August 2020 | Individuals |
|  | Provisional tax bills | Suspension of interest on arrears until 31 August 2020 | Individuals |
|  | Cantonal loans | The canton offers to guarantee loans of up to 75% up to a maximum of CHF 100'000 . A bank analysis must be carried out. The company must not be able to obtain a federal guarantee in order to benefit from this measure | Companies not able to obtain a federal guarantee |
|  | Support for innovative business continuity solutions | Granting of financial support of up to CHF 50 '000 for innovative projects from professional associations aimed at maintaining local economic activity | Companies |
|  | Lump sum for administrative procedures | Granting of a one-off lump sum of CHF 500 , to use services of a fiduciary to carry out administrative formalities (APG, RHT, etc.). | Companies and self-employed |