



## LEGAL BRIEFING – Real Estate

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### New bill voted - Drastic measures against the negative effects of the Covid-19 pandemic

Last night, the Parliament voted a new bill, which includes some drastic measures against the severe and continuing negative effects of the Covid-19 pandemic. The most important ones and those of a most urgent nature are outlined below:

1. The -generous- **40% reduction of monthly rents is extended to rents due for May 2020**, specifically with respect to:

- Commercial leases of businesses, whose operation was prohibited or suspended, due to the COVID-19 pandemic;
- Commercial leases of businesses affected by the measures taken due to the COVID-19 pandemic (the specific businesses falling under this category are determined in relevant Joint Ministerial Decisions);
- Residential leases of natural persons affected by the measures taken due to the COVID-19 pandemic (e.g. the residential leases of employees working for businesses the operation of which was forbidden or suspended).

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By means of an amendment to the bill (also passed by Parliament), the said reduction is further extended **to rents due for June 2020**, specifically for businesses whose operation was prohibited or suspended due to the pandemic. In addition, pursuant to the said amendment, the Minister of Finance may issue decisions determining the businesses affected by the pandemic, thereby extending the 40% rent reduction to such businesses.

It should also be noted that the said ministerial decisions may **further extend the rent reduction to July and August 2020**.

2. The new bill incorporates the **25% reduction of any tax obligation** of any natural or legal person affected by the government's measures against the COVID-19 pandemic. The said reduction applies to tax obligations (excluding VAT) payable until the 31<sup>st</sup> of May, under the condition that they are paid on time.

3. The bill integrates a **25% reduction of social security contributions** owed by self-employed workers (regarding the month of April and May).

Lastly, the bill includes some significant adjustments regarding the reopening of the courts.

Having in mind the vital scope and significance of its provisions, the bill is expected to be promptly published in the Government Gazette.

The full text of the bill, as voted by Parliament, may be found here:

<https://drive.google.com/file/d/1nzJyN78ClucdVhNjwDKUtGVYVsKGntvz/view?usp=sharing>

