
COVID-19 SUPPORT MEASURES – LITHUANIA

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Notice: Please note that the links included in the present overview refer to mainly Lithuanian language webpages. We cannot guarantee the availability of an English language version of the links provided.

The Lithuanian government has announced a nationwide quarantine to stop the spread of the corona virus. The quarantine regime is effective from 16/03/2020 and will last at least until 11/05/2020.

General overview:

- <https://koronastop.lrv.lt/en/>
- <http://lrvt.lt/en/>
- <https://eimin.lrv.lt/en/important-information-for-business-on-coronavirus/important-information-for-business-on-coronavirus-1>

1. TAX MEASURES

General information:

The State Tax Inspectorate (*Valstybinė mokesčių inspekcija*) (**STI**) has announced a list of companies deemed to be directly affected by the spread of the corona virus. Tax measures were applied automatically for companies included on the STI list (the list is updated weekly).

1.1. GENERAL TAX MEASURES

- **Deferral of tax payment:** a payment deferral of all taxes administrated by the STI (except personal income tax) is granted automatically (without application of interest on late payment or penalties and unpaid recovery) for companies included on the STI list. Deferral of tax payment is applicable from 16/03/2020 and will last until the end of the quarantine plus 2 months after it.
 - o Links:
 - <https://www.vmi.lt/cms/informacija-verslui-del-covid-19>
 - <https://www.vmi.lt/cms/informacija-apie-mokesciu-moketojus>
- **Tax payment after the end of the quarantine:** within a period of 2 months companies that used the deferral of tax payment will have to decide whether to pay accumulated taxes or apply to the STI for a tax loan agreement and postpone taxes payment terms (without application of interest).
 - o Link:
 - <https://www.vmi.lt/cms/informacija-verslui-del-covid-19>
- **Application for support measures:** companies not included on the STI list of companies deemed to be directly affected by the spread of the corona virus but experiencing payment difficulties as a result of it may apply to the STI for for a tax loan agreement (without application of interest), exemption from interest on arrears and/or remission of fines (for non-payment). In addition to the required submission of an application to the STI certain evidence of encountered difficulties regarding the spread of the corona virus must be presented.
 - o Link:
 - <https://www.vmi.lt/cms/informacija-verslui-del-covid-19>

1.2. VAT

- **No adjustment of VAT for lost perishables:** when perishables were lost due to the ban on trade regarding the spread of the corona virus taxpayers are not required to apply to the STI to report the loss of goods and adjust the VAT report for the purchase of lost goods.
 - o Link:
 - <https://www.vmi.lt/cms/documents/10162/8782061/RM-10276/7f7f8af5-827c-437f-a09c-1bd367dbef80>
- **No VAT when donating to hospitals:** taxpayers who donate stocks of medical supplies to hospitals or care institutions may deduct input VAT and does not have to calculate the use for private needs for donated stocks.
 - o Link:
 - https://www.vmi.lt/cms/about-vmi/-/asset_publisher/hU6yeb4bVUJN/content/mediku-medicinos-istaigu-gauta-parama-yra-neapmokestinama-parama-teikiantiems-verslininkams-mokesciu-lengvatos

1.3. CORPORATE INCOME TAX AND PERSONAL INCOME TAX

1.3.1. Corporate income tax

- **Deferral of declaration submission:** the deadline for submitting the advance corporate income tax returns was deferred from 16/03/2020 to 30/03/2020.
 - o Link:
 - <https://www.vmi.lt/cms/informacija-verslui-del-covid-19>
- **Donating to hospitals:** donations provided to hospitals and care institutions can be used for deduction of corporate income tax.
 - o Link:
 - https://www.vmi.lt/cms/about-vmi/-/asset_publisher/hU6yeb4bVUJN/content/mediku-medicinos-istaigu-gauta-parama-yra-neapmokestinama-parama-teikiantiems-verslininkams-mokesciu-lengvatos

1.3.2. Personal income tax

- **Deferral of declaration submission and payment:** the deadline for submitting and paying the annual personal income tax was deferred from 04/05/2020 to 01/07/2020 for all residents and non-residents of Lithuania.
 - o Link:
 - <https://www.vmi.lt/cms/informacija-verslui-del-covid-19>

- **Application for support measures:** taxpayers experiencing payment difficulties as a result of the spread of the corona virus may apply to the STI for for a tax loan agreement (without application of interest), exemption from interest on arrears and/or remission of fines (for non-payment). In addition to the required submission of an application to the STI certain evidence of encountered difficulties regarding the spread of the corona virus must be presented.
 - o Link:
 - <https://www.vmi.lt/cms/informacija-verslui-del-covid-19>

2. FINANCIAL MEASURES

General information:

National promotional institution Investment and Business Guarantees (*Investicijų ir Verslo Garantijos*) (**INVEGA**) has released a package of financial measures in order to maintain the liquidity of businesses that were affected by the spread of corona virus.

- <https://invega.lt/en/>

Association of Lithuanian banks have agreed on temporary moratorium on credit obligations for legal entities and individuals.

- <https://www.lba.lt/en/>
- <https://www.lba.lt/lt/covid-19>

2.1. FINANCIAL MEASURES BY INVEGA

- **Compensation of interest:** SMEs that have loan or lease payments deferred by financial institutions may apply to INVEGA for interest compensation for deferred loans or finance lease payments. SMEs will be reimbursed 100% of the interest to be paid for the period of loan or leasing payment holidays up to 6 months.
 - o Links:
 - <https://invega.lt/en/covid-2019/financial-measures-business-covid-19-crisis/compensation/>
 - <https://invega.lt/lt/covid-19/pagalba-verslui-covid-19-krizes-metu/kompensacijos/>
 - <https://invega.lt/en/invega-launches-interest-compensation-scheme-deferred-loan-payments/>

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- **Loans for SMEs without mortgage:** SMEs meeting certain conditions may apply to financial institutions (that have signed a cooperation agreement with INVEGA) for loans without the mortgage to fund basic operating expenses (salaries, rent, etc.) for a period between 16/03/2020 and 31/07/2020. Such loan may be up to EUR 1,000,000 with a maximum duration of 36 months.
 - o Links:
 - <https://invega.lt/en/covid-2019/financial-measures-business-covid-19-crisis/loans/loans-businesses-affected-covid-19/>
 - <https://invega.lt/lt/covid-19/pagalba-verslui-covid-19-krizes-metu/paskolos/paskolos-labiausiai-nuo-covid-19-nukentejusiems-verslams/>

 - **Loans for SMEs via crowdfunding platforms:** SMEs meeting certain conditions may apply to crowdfunding platforms (that have signed a cooperation agreement with INVEGA) for loans to fund investments and/or net working capital. Such loan may be up to EUR 25,000 with a maximum duration of 36 months. Up to 40 % (EUR 10,000) of such loan would be provided by INVEGA.
 - o Links:
 - <https://invega.lt/en/covid-2019/financial-measures-business-covid-19-crisis/loans/croud-funding-loans-aviete/>
 - <https://invega.lt/lt/covid-19/pagalba-verslui-covid-19-krizes-metu/paskolos/sutelktines-paskolos-aviete/>

 - **Alternative funding:** SMEs meeting certain conditions may apply to financial institutions (that have signed a cooperation agreement with INVEGA) for loans to fund investments and/or net working capital. INVEGA would provide financial resources to financial institutions to fund SMEs. Such loan may be up to EUR 200,000 with a maximum duration of 24 months.
 - o Links:
 - <https://invega.lt/en/covid-2019/financial-measures-business-covid-19-crisis/loans/alternative-financial-instrument/>
 - <https://invega.lt/lt/covid-19/pagalba-verslui-covid-19-krizes-metu/paskolos/finansine-priemone-alternatyva/>

 - **Payable invoice loan:** small enterprises meeting certain conditions may apply to INVEGA for loans to fund unpaid invoices for the goods and services they provided until 31/03/2020 to the businesses that are deemed to be directly affected by the spread of the corona virus. Such loan may be up to EUR 500,000.
 - o Links:
 - <https://invega.lt/en/covid-2019/financial-measures-business-covid-19-crisis/loans/loans-payable-invoices/>
 - <https://invega.lt/lt/covid-19/pagalba-verslui-covid-19-krizes-metu/paskolos/apmoketinu-saskaitu-paskolos/>

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- **Portfolio guarantee:** SMEs and large companies meeting certain conditions may apply to financial institutions (that have signed a cooperation agreement with INVEGA) for loans to fund net working capital or leasing transaction. INVEGA guarantees 80 % of such loan or leasing transaction concluded between 16/12/2020 and 31/12/2020 for up to EUR 5,000,000 with a maximum duration of 72 months. Leasing transactions and loans to fund investments and/or net working capital taken before 16/03/2020 but restructured afterwards (e.g. payments were deferred, repayment schedule was extended) may also be guaranteed by INVEGA in the same manner.
 - o Links:
 - <https://invega.lt/en/covid-2019/financial-measures-business-covid-19-crisis/guarantees/portfolio-guarantees-loans-2/>
 - <https://invega.lt/lt/covid-19/pagalba-verslui-covid-19-krizes-metu/garantijos/portfelines-garantijos-faktoringo-sandoriams-2/>
 - **Individual guarantee:** SMEs and large companies meeting certain conditions may apply to financial institutions (that have signed a cooperation agreement with INVEGA) for loans to fund investments and/or net working capital or leasing transaction. INVEGA guarantees repayment of the first instalment up to 80 %, the rest 20 % must be secured with collateral. Such loan or leasing transaction may be up to EUR 1,500,000.
 - o Links:
 - <https://invega.lt/en/covid-2019/financial-measures-business-covid-19-crisis/guarantees/individual-guarantees/>
 - <https://invega.lt/lt/covid-19/pagalba-verslui-covid-19-krizes-metu/garantijos/individualios-garantijos/>

2.2. FINANCIAL MEASURES BY ASSOCIATION OF LITHUANIAN BANKS

- **Deferral of loan/credit payment:** legal entities (business loans) or individuals (mortgage credit) meeting certain conditions may be granted a deferral of payment for up to 6 months for capital repayments on their existing business loan (up to EUR 5,000,000) or mortgage loan.
 - o Links:
 - <https://www.lba.lt/lt/covid-19>
 - <https://www.lba.lt/lt/moratoriumas>
 - <https://www.lba.lt/lt/moratoriumas-verslui>

3. SOCIAL LAW MEASURES

3.1. SELF-EMPLOYED PERSONS

- **Replacement of income for self-employed persons:** self-employed persons can claim a flat-rate benefit of 257 EUR from the Employment Service (*Užimtumo tarnyba*) from 05/04/2020.

A fixed benefit will be paid monthly until the end of the quarantine if the self-employed person fulfils all of these conditions:

- 1) self-employment has been registered for at least 3 months in the last year and has not been ended until the date the Government of the Republic of Lithuania declared the state of emergency and quarantine (i. e. assessment period from 16/03/2019 to 15/03/2020);
- 2) is not employed, has no legal relationship comparable to an employment relationship and no income from employment;
- 3) in the case of a legal entity – does not have the status of a company in liquidation or under bankruptcy.

- o Links:

- <https://www.sodra.lt/en/benefits/important-information-for-insurants-residents-covid-19/benefits-for-the-self-employed>
- <https://www.sodra.lt/en/benefits/important-information-for-insurants-residents-covid-19/for-self-employed-persons->
- <http://socmin.lrv.lt/uploads/socmin/documents/files/Pagalba%20verslui%20ir%20savarankiskai%20dirbantiems.pdf>
- <https://uzt.lt/savarankiskai-dirbantiems-asmenims-kaip-gauti-subsidija-karantino-laikotarpiu/>

- **Deferral of social security contributions payment:** self-employed persons are not required to pay compulsory health insurance contributions (*Privalomasis sveikatos draudimas*) (**PSD**) during the quarantine period and their payment is postponed for 2 years.

- o Link:

- <https://www.sodra.lt/en/benefits/important-information-for-insurants-residents-covid-19/for-self-employed-persons->

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- **The right to recover personal income–tax overpayment:** self-employed residents operating on the basis of a business certificate, if their activities are restricted due to quarantine, may terminate it and recover the paid flat–rate personal income–tax overpayment or include in another business certificate.
 - o Link:
 - <http://socmin.lrv.lt/uploads/socmin/documents/files/Pagalba%20verslui%20ir%20savarankiskai%20dirbantiems.pdf>

3.2. EMPLOYERS

- **The right to receive state subsidies:** if during the state of emergency and quarantine period the employer declares a downtime, the employees who are in downtime are paid at least the minimum monthly salary, which is partially compensated by the state. Employers can apply to the Employment Service for a subsidy from 05/04/2020.

The amount of the state subsidies is calculated as a percentage of the wage calculated for the employee in downtime, which may not be higher than the wage specified in the employee's employment contract before the declared emergency and quarantine date, and at the employer's choice consists of: 70% from the employee's accrued salary, but not more than 910.50 EUR gross (or 1,5 minimum monthly salary); 90% from the employee's accrued salary, but not more than 607 EUR gross (or 1 minimum monthly salary).

Subsidy will be paid until the end of an emergency or quarantine.

- o Links:
 - <https://www.sodra.lt/en/benefits/important-information-for-insurants-residents-covid-19/for-those-who-have-employees->
 - <http://socmin.lrv.lt/uploads/socmin/documents/files/Pagalba%20verslui%20ir%20savarankiskai%20dirbantiems.pdf>
 - <https://uzt.lt/kaip-gauti-subsidija-prastova-paskelbusiems-ir-darbo-vietas-istaikantiems-darbdaviams-ekstremalios-situacijos-ir-karantino-metu/>
 - <https://uzt.lt/subsidijos-darbdaviams-prastovu-laikotarpiu-2/>
 - <https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/b9ca8ad03de611e68f278e2f1841c088/asr>

- **Temporary unemployment benefit:** when a certificate of incapacity for work is issued to an insured person who has been suspended due to illness or due to the epidemic situation, sickness benefit is paid by the employer for the first two calendar days of incapacity for work, which cannot be less than 62.06% of the beneficiary's average salary. Sickness benefit from The State Social Insurance Fund Board under the Ministry of Social Security and Labor (*Valstybinio socialinio draudimo fondo valdyba prie Lietuvos Respublikos socialinės apsaugos ir darbo ministerijos*) (**Sodra**) funds is granted from the third day of temporary incapacity for work and is paid for the entire period of suspension from work until the quarantine is lifted.
 - o Link:
 - https://www.sodra.lt/lt/informacija_del_pandemines_situacijos

4. OTHER

- Customs and Excise
 - o Links:
 - <https://lrmuitine.lt/web/guest/933;jsessionid=4845FC821A8596D43823CB7F9FA5C6D8>
 - <https://www.vmi.lt/cms/aad-paslaugos>
- Additional support measures for enterprises dd. 29/04/2020:
 - a. Possibility for the business to defer charges for electricity and natural gas to be paid to state-controlled energy holding company or let taxpayers pay them by installments.
 - b. Recommendations to municipalities to exempt taxpayers from commercial real estate and land taxes.
 - c. Recommendations to municipalities to defer public utility payments and payments for heat energy or let taxpayers pay them by installments.
 - d. State established a COVID-19 Impact Mitigation Fund for donations from legal and individual persons.
 - e. Businesses facing difficulties caused by the spread of the corona virus related circumstances may apply to the territorial chambers of commerce, industry and crafts for the issue of certificates attesting *force majeure* circumstances.
 - f. Contracting authorities may initiate a modification of the procurement contract in similar manner.
 - o Link:
 - <https://eimin.lrv.lt/en/important-information-for-business-on-coronavirus/important-information-for-business-on-coronavirus-1>