

STATE ACTIONS AFTER THE QUARANTINE May 2020

I. NEW MEASURES

Please find below the newest Lithuanian plans after the emergency situation and quarantine due to the COVID-19 (coronavirus) pandemic situation.

1. New subsidies for businesses after the emergency situation and quarantine

- New Lithuanian Parliament special measures for employers and people who have lost their jobs during COVID-19 was approved.
- These amendments enable employers to receive subsidies for **up to 6 months** after the end of quarantine (but no later than **31st of December 2020**).
- The total value of all measures amounts to 931.7 million EUR.
- If approved by the President, all amendments will enter into force on the **1st of June 2020**.

1.1. Who is eligible for the subsidies after quarantine?

- Employers who declared downtime during the quarantine, received subsidies to compensate workers' wages during downtime and maintained their jobs.
- Employers who are included in the list of companies affected by the COVID-19 compiled by the State Tax Inspectorate (please find the list here [here](#)).
- Employers who received subsidies prior to quarantine to compensate the wages of supported workers (e.g. employees with disabilities), declared downtime during quarantine, received subsidies to compensate for wages of workers during downtime and maintained these jobs.

1.2. What is the size of subsidies?

Subsidies for 1 and 2 months

- **Normally:** 100% of the employee's salary, from which social security contributions must be paid, but not more than minimum monthly wage (MW), i.e. EUR 607.
- **If the employer is included in the list of companies affected, on employer's choice:**
 - 70% of salary, but not more than 2 MW, i.e. EUR 1 214, or
 - 100% of salary, but not more than 1 MW, i.e. EUR 607.
- **If the employee has a fixed-term or seasonal employment contract:** 100% of salary, but not more than 0.5 MW, i.e. EUR 303.50.

Subsidies for 3 and 4 months

- **Normally:** 50% of salary, but not more than MW, i.e. EUR 607.
- **If the employer is included in the list of companies affected:** 50% of the salary, but not more than 2 MW, i.e. EUR 1 214.
- **If the employee has a fixed-term or seasonal employment contract:** 50% of salary, but not more than 0.5 MW, i.e. EUR 303.50.

Subsidies for 5 and 6 months

- **Normally:** 30% of salary, but not more than MW, i.e. EUR 607.
- **If the employer is included in the list of companies affected:** 30% of the salary, but not more than 2 MW, i.e. EUR 1 214.



- **If the employee has a fixed-term or seasonal employment contract:** the subsidy is not available.

For more information please refer to [Parliament's webpage](#) (in Lithuanian).

2. New Aid fund for Business

- The Fund should help ensuring the liquidity of medium-sized and large companies, their access to finance and their faster recovery from the COVID-19 crisis.
- The total planned value of the fund is 1 billion EUR (500 million EUR shall come from the State budget; the other sum shall be achieved with participation of private limited partners).
- The Fund will be established once all the related legislation will be approved by the competent authorities. It is planned that the Fund will function till 2030.
- Please be noted, that more details will come after the establishment of the Fund, planned in H2 2020.

2.1. Who is eligible for the funding?

- The Fund will invest in medium-sized and large companies.
- The Fund will invest in companies that have experienced financial difficulties due to COVID-19 and do not have access to borrowing or financing from the market.
- The Fund will invest in companies, if termination of their activities is likely to cause a chain reaction and affect related entities and/or have significant socio-economic consequences.

2.2. What is the financing form?

- The Fund's assets may be invested:
 - in debt securities;
 - directly in loans;
 - in equity securities;
 - in debt instruments that have or may have an equity component (convertible debt securities, mezzanine loans, subordinated debt, etc.).

For more information please refer to [webpage of the Ministry of the Economy and Innovation](#) (in Lithuanian).

3. The COVID – 19 Response strategy

- On the 6th of May 2020, the Cabinet of the Ministers approved the COVID-19 Response strategy of Lithuania.
- The strategy should be implemented over **2 years**. There will be an action plan with priorities and practical measures. The action plan will fall subject to a more thorough scrutiny **every 6 months** to check its effectiveness and appropriateness of the measures selected.
- The four priorities of the strategy:
 - development of an effective virus response monitoring mechanism (Ministry of Health);
 - ensuring the preparedness of the health system and strengthening the physical and psychological (emotional) health of the society (Ministry of Health);
 - imposing quarantine regime in response to epidemiological situation in the country (Ministry of Health);
 - ensuring stability across social and economic sectors and their adaptation to new conditions (Ministry of Finance).

Please find the Strategy plan [here](#) (in English).



II. OTHER RELATED INFORMATION

Other related information regarding the mitigation of the negative impact of the COVID-19 for businesses and economy is continuously updated on [Invest Lithuania COVID-19 webpage](#).

Invest Lithuania COVID-19 webpage currently covers these topics:

1. **Support measures for business** (1.1. Financial aid package presented by the Finance Ministry; 1.2. Financial aid package presented by the Ministry of the Economy and Innovation);
2. **Tax payments** (2.1. Automatic postponement of tax payments; 2.2. Individual requests for the postponement of tax payments; 2.3. Tax loan agreements; 2.4. Other postponed tax obligations; 2.5. Real estate and land taxes);
3. **Social Insurance** (3.1. Contact details of State Social Insurance Fund);
4. **Idle time** (4.1. Announcement of idle time; 4.2. Idle time in different economic sectors; 4.3. Additional conditions once idle time is announced; 4.4. Partial idle time; 4.5. Notification process of the idle time);
5. **Subsidies for wages paid during the idle time** (5.1. Request for state subsidies; 5.2. The amount of state subsidies; 5.3. The duration of subsidies; 5.4. Application process; 5.5. Submitting an application for the first time; 5.6. Submitting application for subsequent months; 5.7. Applying for a subsidy only once);
6. **Guidelines for employers** (6.1. How to ensure the health and safety of employees during quarantine);
7. **Migration** (7.1. Migration requirements; 7.2. Travel restrictions – Air, road, rail, sea).

