**Measures adopted by the Czech Government against the coronavirus**

**(updated 25 May 2020)**

**General measures:**

**A 30-day state of emergency was declared as of 12 March. The state of emergency was extended until 17 May 2020.**

As of 13 March, full-time education in **elementary, secondary and tertiary educational facilities was cancelled**, as well as in universities and facilities specialised in language training. Events organised by these organisations are forbidden.

As of 13 March, 6:00 am, **all sporting, cultural, religious and other activities both public and private** involving more than 30 people are forbidden. This does not apply to meetings of the state administration (e.g. the judiciary, Government meetings, meetings of institutional bodies), or to funerals.

As of 14 March, **public access to swimming pools and tourist information centres is forbidden**. The same applies to indoor and outdoor sports centres service providers (**over 30 people at any one time**) and retail sales in stalls and markets. This restriction applies also to casinos, public restaurants and other food service establishments, including food courts in shopping malls larger than 5000 m2.

As of 14 March, **retail sales and the sales of services in business premises are forbidden**, with the exception of foodstuffs, electronics, ICT, fuel, pharmacies, chemists, animal welfare goods and feeds, opticians, newsagents, laundromats and e-shops. **As of 26 March, there are new exceptions to this ban**: locksmithing and servicing of household products, repair, maintenance and installation of household machinery and equipment, funeral services and car washes. This **measure will last at least until 11 April** and may be extended.

As of 16 March, **free movement is limited with the exception of travel to and from work** and trips necessary to ensure basic human needs (e.g. foodstuffs, pharma shopping, helping older family members). **The provision of the accommodation services is forbidden**. This limitation on free movement applies until the end of the state of emergency. As of 27 March, accommodation services are allowed to accommodate guests who need accommodation for the purposes of work or business.

As of 18 March, all **re-export of medicines and medicinal products registered for CZ market** to the EU and any export of such outside the EU is **forbidden**. With effect from the same day, all stores and transport operators are advised to regularly disinfect their premises, particularly areas that routinely come into contact with people.

As of 19 March, **all persons need to wear a face mask or other covering of the nose and mouth while outside of their place of residence**. As of 9 April, an exemption has been granted from wearing protective masks while travelling by car for members of a single household and for bus drivers who are separated from passengers in a separate cabin.

As of 20 March, access to retail stores between 7:00am and 9:00am is restricted exclusively for persons over the age of 65.

As of 25 March, all shops over 500 m2 are reserved from 8:00am to 10:00am for seniors and disabled persons above 50 years of age. In stores below 500 m2, employees are instructed to give priority to the aforementioned persons.

As of 30 March 2020, **the so-called “smart quarantine” project has started up in test mode**. The goal of smart quarantine is to prevent the further spread of SARS CoV-2 coronavirus in the Czech Republic as quickly and effectively as possible. Smart quarantine, which will map the contacts of positively tested individuals for COVID-19 using modern information technologies, is intended to help regional hygiene stations trace any other potentially infected people.

**An obligation for landlords using digital platforms (e.g. Airbnb), to inform the municipal trade licensing office**, at its request, of the number of contracts concluded for tourism services, the total price for these services, as well as the address of the place where guests were staying. In the future, the data may be used to trace those accommodated in the event of the threat of the infection spreading.

**A draft Bill on the powers of the Czech Police and the municipal police to penalise breaches of crisis measures, was adopted.** Police officers will now be able to penalise on the spot any persons in breach of the crisis measures, even in cases that have to be normally dealt with in administrative proceedings.

**As of Tuesday 7 April, individual outdoor sports are permitted**. When keeping a safe distance of two metres and with a maximum of two people, these sports can be performed without respiratory protection. The ban on use of common spaces like showers and lockers is still in force. From the same date, raw material collection yards, waste collection yards and composting plants may also be in operation.

**As of Thursday 9 April, all hobby markets, building material shops, ironmongeries and shops providing sale and service of bicycles are reopened.** These will have to follow stricter hygiene rules, such as the obligation to place hand disinfection at the entrance, strict adherence to safety distancing and the obligation to wear gloves.

**An accelerated plan to relax restrictions on businesses and other activities has been introduced:**

* **as of 20 April** – craft workshops, farmers' markets, car dealerships, outdoor training activities for professional athletes, weddings of up to 10 people,
* **as of 27 April** – business premises up to 2,500 m2, (only if these are not in shopping malls over 5,000 m2), driving schools, gyms and fitness facilities without the use of locker rooms and showers, church services for up to 15 people, libraries, outdoor expositions of zoological gardens,
* **as of 11 May** – shops in shopping centres, business premises over 2,500 m2, restaurants can open their gardens while serving food there, beauty services, museums, galleries, outdoor premises of castles and chateaus, outdoor training activities for professional athletes without public access,
* **as of 25 May** – restaurants, accommodation services, taxi services, tattoo salons, theatres, cultural and sporting events (limit on number of participants TBC), weddings, indoor expositions of zoological gardens.

**As of 24 April, free movement of people outside will be possible for groups of up to and including 10 people**

**As of Monday April 27,** all university students are now able take part in personal individual consultations.

**An accelerated plan by the Ministry of Labour and Social Affairs to relax measures in social services has been approved:**

* **as of 27 April** – social services will be working online and via telephone,
* **as of 11 May** – opening of social services for youths and families with kids,
* **as of 25 May** – permission to visit clients of social accommodation services and opening of all social services for clients under 50 years of age,
* **as of 8 June** – renewal of individual planning and contracts (e.g. the possibility of walks outside the complex),
* **as of 22 Junes -** opening of all social services for all groups including seniors.

**As of 1 May, an exemption for wearing protective masks has been approved**. This concerns mentally ill people, children under the age of seven in kindergartens, artists (actors or singers) at work and TV presenters.

**As of 11 May, pupils in the last year of primary schools can return to schools together with students in the last year of secondary schools and conservatories**. Participation will not be mandatory and can take place in a group of a maximum of 15 people.

**As of Tuesday 5 May, new exceptions to the wearing of protective masks** apply for kindergarten teachers, children, pupils, students and pedagogical staff during school lectures.

**A bill, which specifies the remits of the Ministry of Health to take operational measures to prevent the further spread of covid-19, has been approved**. The law applies only until the end of 2020 and gives the ministry the opportunity to limit certain high-risk activities or services.

**As of Monday 25 May, wearing of protective masks will be mandatory only in the interiors of buildings other than the place of residence and in public transport.**

**As of Tuesday 12 May, persons during entrance exams for high schools and universities, during daily classes at one-year foreign language courses or when providing counselling services will not have to wear protective masks**. The exception applies only if the distance between attendants is at least 1.5 meters and with the maximum number of 15 persons in one room.

**An amendment to the Public Procurement Act, which aims to simplify the purchase process of personal protective equipment as emergency supplies after the end of the state of emergency, has been approved**. The contracting authority would then not have to meet all the usual requirements of the law and could significantly speed up the realisation of the purchase.

**A bill to mitigate the effects of the coronavirus epidemic in the area of proving qualifications for the purposes of employment relations has been approved**. Due to the impossibility of ensuring an objective review of qualification preconditions, it will be possible to meet the requirements of legal regulations and technical standards for the performance of agreed types of work only formally. This possibility should end six months after the end of the state of emergency.

**As of Tuesday 19 May**, workers in offices sitting at least 2 meters away from other colleagues, will not have to use a protective mask while working. The same exception applies to workers, who work with a high heat load.

**As of 26 May**, the reserved period for shopping for seniors is abolished, the obligation to use a protective shield for barbers, hairdressers, masseurs and other similar professions is abolished and the obligation to wear a protective mask at work is abolished if a person works at least 2 meters away from another person.

**As of 1 June**, a voluntary return to schools is possible for pupils of special primary schools and pupils of high schools and conservatories for the purpose of practical teaching. The maximum number of students in one group is 15.

**As of 8 June**, all pupils and students of primary schools, secondary schools, conservatories and higher vocational schools can return to schools voluntarily for consultations. The maximum number of students in one group is 15.

**As a part of the so-called Smart Quarantine 2.0 project, a new Emergency Operations Centre Department**, which will report directly to the Chief Hygienist of the Czech Republic, will be established at the Ministry of Health. Among other things, the department will be responsible for analysing threats with an impact on public health, for proposing solutions and for developing and managing the Smart Quarantine 2.0 project.

**Measures concerning foreigners and border crossing:**

As of 14 March, **temporary reintroduction of internal borders** with Germany and Austria - lasting until 24 April 2020 with a possible extension. Border crossing possible only at a limited selection of 11 land borders as well as Prague International Airport and Prague-Kbely airport. Additional 8 border crossings available for verified cross-border commuters. The land borders with Slovakia (from 13 March) and Poland (from 15 March) were closed by those countries’ governments.

As of 16 March, until 12 April, **access to the Czech Republic is barred for all foreign nationals**, with the exception of foreign nationals with permanent residence or temporary residence of over 90 days and foreign nationals whose entry is in the interests of the Czech Republic.

**Anyone returning to the Czech Republic must undergo a mandatory 2 weeks’ quarantine.**

**Czech citizens are forbidden to leave the country** (with certain exceptions e.g. cross-border workers).

**Foreign nationals with permanent residence** or temporary residence of over 90 days **may leave** the country without right of return for the duration of the state of emergency.

**The granting of visas and temporary residence permits exceeding 90 days** and the relevant procedures at CZ consular offices **have been suspended** with the exception of foreign nationals whose visa applications are in the interest of the Czech Republic.

**Citizens already legally present in the Czech Republic are allowed to stay** for the duration of the state of emergency.

As of 21 March**, all cross-border workers must submit proof of foreign employment** as well as all relevant documentation when crossing the national border. Documentation will be stamped on crossing.

International air travel, rail travel, coach travel, boat travel and road travel for more than 9 persons is **suspended**.

**A new measure adopted due to problems with cross-border workers**. When returning to the Czech Republic, the latter will automatically have to submit to a fourteen-day quarantine. In practice, this will mean that if a cross-border worker does not want to be exposed to the risk of quarantine, he/she will be forced to find temporary accommodation at his place of work for the necessary period. **As of 26 March, the measure concerning cross-border workers has been modified**. They are now divided into different categories according to the border crossing point and the type of work carried out abroad. For example, a cross-border worker passbook is not required, and no quarantine is required upon return for medical personnel.

A**s of 14 April, travelling abroad for "essential activities" will be allowed**. This will include business trips, the assembly of a production facility, a visit to a doctor or to a relative. Each trip will be followed by 14 days of obligatory quarantine on return.

**As of Monday April 27**, the rules for crossing state borders have been changed. EU citizens arriving in the Czech Republic for business purposes and university students from EU countries may now come to the Czech Republic. Czech citizens are able to travel abroad, however on their return they must submit to 14 days’ quarantine or provide a test with a negative Covid-19 result.

**A new crisis measure allowing experts and other key employees from the Republic of Korea to come to the Czech Republic for the needs of Hyundai Motor Manufacturing Czech in Nošovice, has been approved.** This concerns a total of 786 professionals, whose stay in the Czech Republic will be subject to strict hygiene measures.

**A partial adjustment of the rules for crossing the borders of the Czech Republic for cross-border workers from 1 May 2020 has been adopted**. A test for covid-19 with a negative result every 30 days will be sufficient for them from now on. If they are unable to submit a negative test, they will have the opportunity to submit it back to the relevant regional hygienic station within 72 hours.

**As of Monday 11 May**, cross-border public transportation is allowed again with the exception of air traffic, which still remains limited.

**As of Monday 11 May**, **the current rules for border crossing will be relaxed**. All citizens will be able to cross the state border at selected border crossings, which were previously used only by commuters. Railway corridors to Germany and Austria will also be functional.

**The rules for the entry of foreigners into the Czech Republic will be relaxed**. Seasonal employees or holders of long-term visas will now be able to entry the Czech Republic. Each person will have to submit a negative test upon arrival.

**As of 26 May**, the regime at the state borders will be eased. EU citizens and foreigners with the status of a long-term resident in EU Member State will be able to enter the Czech Republic in order to perform economic activities, to visit relatives or to study at a university. Everyone will have to prove themselves with a negative test for covid-19 upon entry.

**All border crossings with Germany and Austria are reopened**. The Brno-Tuřany, Karlovy Vary, Ostrava-Mošnov and Pardubice airports are also reopened. At the same time, only random border controls will be carried out and all border crossings can be used again 24 hours a day.

**Economic measures:**

**An amendment to the Act on the Czech National Bank (CNB), easing the existing restrictions on open market transactions, has been approved.** Thanks to the amendment, the CNB can now trade instruments with maturities of more than one year. In addition, the CNB can from now on trade with other entities, for example, with insurance and pension companies or with other institutional investors (normally the CNB may trade only with banks and credit unions). All of this has been carried out within the framework of the ECB rules; the aim of this amendment is to strengthen the stability of the Czech financial market.

As of 17 March, the Czech National Bank (CNB) has reduced the two-week repo rate by 50 basis points to 1.75 %, the Lombard rate to 2.75 % and the discount rate to 0.75 %. From 18 March, delivery repo operations will be announced three times a week (Monday, Wednesday, Friday). The CNB has revised the countercyclical capital buffer for exposures located in the Czech Republic to 1.75 %.

**As of 17 March, the Czech-Moravian Guarantee and Development Bank (CMZRB) is running a program for the promotion of business liquidity**, where will be an allocation of up to CZK 10 billion for immediate granting of interest-free loans with a one-year deferral with the possibility of a two-year extension for businesses affected by the coronavirus. Businesses will also be supported from other EU operation programmes.

To support employment, the state will provide CZK 100 billion in direct support and CZK 900 billion indirectly in the form of guarantees.

**Adoption of so-called Liberation packages. Liberation Package I** – state will not impose fines for late submission of personal and corporate income tax returns, for late payment of a tax claim and for late submission of control tax reports. **Liberation Package II** - remission of the June advance on personal and corporate income tax, the state will not impose fines for late submission of real estate property tax return, introduction of Loss carry back and suspension of the obligation to electronically record sales for entities in all phases of EET (during the state of emergency and three months thereafter). Liberation packages have been extended to defer payment of road tax due in April and July to 15 October and to include a proposal for VAT exemption from goods that are supplied free of charge (e.g. Covid-19 test kits, protective clothing, other medical supplies, etc.).

**Adoption of a company support programme called “Antivirus” –** a final version of the Antivirus employment protection programme, in which the state will contribute to employers' salaries. Companies have to fulfil several conditions, for example they must strictly follow the Labour Code, employees must not be in their probationary period and the employer must pay wages and make all legal deductions. They also have to prove that any liquidity problems are connected to the COVID-19 pandemic. The amount of state compensation paid to employers is derived from the average super-gross wage, including mandatory contributions (CZK 48,400), and depends on the reasons why they had to put employees on “a barrier to work”. Employers will be able to apply through Labour Office for a contribution in two schemes. The programme has now been extended until 31 May.

All waves of the Electronic Sales Control System (EET) will be postponed until the end of 2020.

The state will help **self-employed persons who are taking care of a child from 6 to 13 years of age and are not able to go to work due to the coronavirus, to the value of CZK 500 per day. All self-employed, who have income only from their business, will be given six-month holidays on the payment of health and social insurance**. These holidays cover the amount of the minimum insurance premium, i.e. CZK 4986. Allocation of another CZK 2.5 billion to this program.

**An amendment to the State Budget Act for 2020 has been approved**. The state budget deficit (already increased once) will be increased by CZK 100 billion (the original draft budget assumed a deficit of CZK 40 billion).

The Government has released CZK 3.3 billion for the 2020 Rural Development Program. This funding should help entrepreneurs in agriculture, food and forestry while fighting coronavirus crisis. The main reason for this support is to secure Czech food self-sufficiency.

**CZK 3 billion will be released from the government budget reserve** to ensure the operational purchase of necessary protective equipment and other equipment and **CZK 4.316 billion** to cover costs incurred by the Ministry of the Interior for the centralised purchase of protective equipment.

**The preparation of state orders for transport infrastructure** - for maintenance, repairs or new investments **has been approved**. Through the State Fund for Transport Infrastructure, the state will spend CZK 6.5 billion in excess of the current budget. The contractual deadlines for these contracts were also extended.

**Compensation Bonus, which will directly support self-employed persons to the amount of CZK 25,000**. This will be paid if the following conditions are met:

1. a self-employed person under the definition of the Pensions Insurance Act,
2. the activity performed is the principal activity (under clearly defined conditions it may also be an ancillary activity),
3. the decrease in gross sales during the period from January to March 2020 was at least 10% compared to the period from January to March 2019 (if a business was set up after January 2019, the comparison counts the first 3 months period after setting up the business),
4. the entity achieved at least CZK 180,000 of gross income in 2019 or at least CZK 15,000/month in the case of a business set up after January 2019.

**An amendment to the Act on the Coronavirus Compensation Bonus has been approved.** This enables the reimbursement of CZK 500 per day to self-employed persons until 8 June, when the end of all restrictions is expected.

**A moratorium proposal on the repayment of loans and mortgages signed before 26 March 2020,** which will be binding on all banks and non-banking companies, has been adopted. Both natural persons and corporate debtors will be able to suspend their repayments for three or six months, as they choose. The debtor must notify this intention to the creditor by declaration that he/she/it is taking this action because of the negative economic impact of the coronavirus pandemic. However, he/she/it will not have to provide proof of this.

**Companies which were forced to close their premises due to government orders, will be entitled to defer their rents.** The deferral will apply from 12 March to 30 June and deferred payments will have to be paid back within 2 years. Also, a ban has been adopted on terminating the rental contracts of people who are not able to pay rent due to financial distress caused by Covid-19 epidemic.

To reduce the impact of the economic downturn, **a proposal to create a financial reserve of 4% of GDP for 2021 and then consolidate public finances in the following years, has been approved**. The European Commission has enabled Member States to temporarily ease fiscal rules by activating the so-called “escape clause”.

**A bill to mitigate the impact of the crisis in the tourism sector, which aims to help travel agencies, who are threatened with bankruptcy, has been approved**. The bill proposes a year’s transition period for reimbursement of holidays already paid for, during which the travel agency will offer its clients a voucher for a package tour of the value of the package tour for which they originally paid. The travel agency will only have to return money in the event that the client fails to make use of the voucher within 12 months.

A cultural package worth more than CZK 1 billion has been adopted. The independent arts segment will receive CZK 440 million, CZK 300 million will go to regional culture support and subsidised organisations in the sector will receive CZK 300 million.

An amendment to the Excise Tax Act has been approved. By extending the storage period for unit packs of cigarettes, the proposal intends to maintain a smooth transition to the new tax rate, even with the difficulties caused by the coronavirus pandemic.

**A bill on the public health insurance premium transfers has been approved**. The government will increase the payment for each person insured by state by CZK 500 per month from 1 June 2020 and by another CZK 200 per month from 1 January 2021.

**A bill on certain measures to mitigate the effects of the coronavirus epidemic on sport has been adopted.** The proposal provides for an extension of the powers of the National Sports Agency, to encompass preparation of relevant grant programmes.

**A proposal for an extraordinary contribution of CZK 4 billion to the Export Guarantee and Insurance Company (EGAP) fund has been approved**. The money is intended to cover liabilities from guarantees that EGAP will provide primarily for loans to large companies.

**A proposal has been approved from the Ministry of Health for debt relief for selected state-run hospitals** that are in long-term financial difficulties and for whom the crisis around the spread of the coronavirus has made their situation even worse. Almost CZK 6.6 billion will be allocated from the government’s budget reserve.

**A bill on the abolition of Real estate acquisition tax, has been adopted with retroactive effect**. Anyone who acquired the property in December 2019 at the latest will be exempted from the obligation to pay the tax. Already paid taxes will be refunded.

**The budget strategy of public institutions of the Czech Republic for the period from 2021 to 2023 and the related convergence program of the Czech Republic**, which will be submitted to the European Commission and the Council of the EU, have been adopted. It is expected that in 2021 state budget expenditures will reach CZK 1,792 billion, in 2022 CZK 1,811 billion and in 2023 CZK 1,825 billion. The structural balance should thus reach minus 4 percent of GDP in 2021.

A **draft amendment to the Compensation Bonus Act has been adopted**. It anticipates that, under certain conditions (maximum 2 partners and not profiting from another form of state financial aid), owners of small limited liability companies could also benefit from the compensation bonus. The amendment proposes a compensation of CZK 500 per day for the period from March 12 to June 8.

**A bill to mitigate the impact of the coronavirus epidemic in the area of protection of employees in case of the insolvency of the employer has been adopted**. Thanks to this bill, the employees of the insolvent employer will be satisfied by partial wage claims from the Labour Office of the Czech Republic.

**A subsidy program for the payment of rents for establishments of entrepreneurs, who were affected by government restrictive measures, has been adopted**. The proposal counts with the payment of up to 50 % of the total rent for the period from April to June 2020 (a maximum of CZK 20 million). To obtain this subsidy, the entrepreneur has to submit a confirmation from the landlord in the form of an amendment to the lease agreement, that he has provided the tenant with a 30 % rent discount. Another CZK 5 billion were allocated to this program.

**A bill, which allows to defer the payment of social security insurance premiums and contributions to the state’s employment policy paid by employers as taxpayers, has been approved**. Employers will be able to pay insurance premiums for May, June and July until 20 October 2020 with a penalty of only 4% p.a.

**The National Reform Program, which describes, for example, planned investments in the infrastructure or steps to fulfil the Innovation Strategy of the Czech Republic 2019 to 2030, has been approved**. The document also summarizes the economic measures taken in connection with the coronavirus pandemic.

**A bill setting a deadline for the submission of the bill on the State budget of the Czech Republic for 2021 has been approved**. The bill was prepared as a result of the current coronavirus crisis, due to which it is still unclear how big loss will the state’s revenues suffer next year. The Ministry of Finance wants to submit the final bill on the State budget for 2021 to the Government by 30 September.

**A guarantee program COVID III, through which the state will support companies with up to 500 employees by securing their debts in the total amount of CZK 150 billion in guarantees, has been announced.** State aid will cover operating loans up to CZK 50 million, which will be provided to companies until 31 December 2020. Depending on the number of employees, companies will be able to apply for an operating loan of up to 80-90% of the principal of the guaranteed loan.

**The Czech Rise Up 2.0 subsidy program, for which the Government will allocate up to CZK 300 million, has been approved**. The program targets projects that focus on the use of existing technologies for the development of medical and non-medical solutions, the aim of which is, for example, to manage all the consequences of the crisis or preparation for a possible second wave of the coronavirus pandemic.

**A bill on the compensation to persons providing paid health services has been approved**. The law obliges health insurance companies to reimburse the costs of health care providers, which are connected to the ongoing coronavirus epidemic. According to the Ministry of Health, the final sum may mount up to CZK 5 billion.

**A bill on an anti-crisis tax package to help the most affected sectors has been adopted**. The package mainly touches a VAT reduction from 15 to 10 percent in the area of accommodation services, admission fees to cultural events and sporting events, admission fees to sports grounds, fare on ski lifts and admission fees to saunas and other similar facilities. The package also includes the reduction to 25 percent in road tax on lorries over 3.5 tonnes, shortens the deadline for refunding the overpayment of excise duty on so-called "green diesel" and introduces a loss carry back for income taxes for all natural and legal persons.

**A bill on the waiver of social security premiums and contributions to the state employment policy paid by employers as taxpayers has been adopted**. This program, called Antivirus C, applies, under specific conditions, to employers with less than 50 employees and to the months of June, July and August.

The program providing support via the “**Support and Guarantee Agricultural and Forestry Fund, Operation 2020 - reduction of the loan principal**”, which is intended for small and medium-sized entrepreneurs in the field of primary agricultural production, has been adopted. They will be able to apply for financial support in the maximum amount of CZK 150,000, which, however, must not exceed 50% of the outstanding loan principal.