

New support measures for the economy in the face of the COVID 19 pandemic consequences

The House of Representatives today approved two very important government bills in the context of the plan for support of the economy.

The first bill has to do with incentives for rent reduction by granting tax credit equal to 50% of the reduction in rent, in the case where the landlord provides a rent reduction for a period of up to three months in 2020. In order for one to become eligible for the credit, the rent reduction offered should be between 30% and 50%. In this way, the tenant is benefited and an important incentive is given to the landlord to grant the reduction, while half the reduction amount is distributed among the taxpayers.

The government calls on the property owners to take advantage of the incentive and state aid and grant rent reductions to businesses, which have suffered consequences on account of the pandemic, in this way benefitting both the viability of the enterprises from which they draw income and the prospect of the recovery of the economy in general. It should be noted that the government has additionally promoted a legislative regulation forbidding evictions for a period of two months, which has been extended until September inclusive by a legislative proposal.

The second bill is concerned with the support of firms and businessmen in the crucial for Cyprus tourism section and also with the reliability of Cyprus abroad as a tourist destination. By this regulation travel organizers, hotel enterprises, cruise companies as well as car rental enterprises without a driver obtain the legal right of being issued with vouchers in case of reservation cancellations due to the pandemic. It also includes provisions for the issuing of state guarantees to the benefit of the companies in case of insolvency, thus ensuring that the foreign visitor or Cypriot traveller or tourist agent will not suffer any damage in case the Cypriot firm with which they have made a reservation is insolvent. The amount of guarantees that the government may offer stands at €86.6m.