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Factsheet for case PT-2020-16/410

Exceptional and temporary regime for compliance with fiscal obligations and social contributions

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Country	Portugal, applies nationwide
Time period	Temporary, 12 April 2020 - 30 June 2020
Type	Legislation or other statutory regulation
Category	Supporting businesses to stay afloat – Deferral of payments
Case created	09 April 2020 (updated 05 May 2020)

Background information

This exceptional and temporary measure provided for Decree Law 10-F/2020 of 26 March 2020 (amended by the Declaration of Rectification 13/2020 of 28 March 2020) aims at protecting companies in order to protect employment and jobs, and to create conditions to ensure, as much as possible, business survival. Tax and social contributions payment is thus flexibilised.

The measure published on 26 March applies retroactively from 12 March.

This measure seeks to address the economic impact of COVID-19 disease pandemic especially among the companies mostly affected by this exceptional situation.

Content of measure

Aiming at ensuring liquidity to businesses and to preserve their activity and respective jobs, this measure flexibilizes the payment of taxes and social contributions, keeping the punctual payment of levies.

It is approved:

- A regime of flexibilisation of payments regarding VAT, withholdings on personal income tax and corporate income tax, due in the second quarter 2020;
- A regime of deferred payment of social contributions due by employers and independent workers.

The measures approved aim to support SMEs, but their application to other businesses is not excluded, namely those experiencing a loss in their activity of at least 20%, as well as those that were shut down,

by the Decree 2-A/2020 of 20 March, and to the aviation and tourism sectors.

Use of measure

Not available.

Actors, target groups and funding

Actors	Target groups	Funding
National government Social insurance	All companies	National funds

Social partners

Role of social partners	Informed
Form of involvement	Bi-or tripartite social dialogue bodies

Not available

Sectors and occupations

This case is not sector-specific.

This case is not occupation-specific.

Sources

- 26 March 2020: Decree Law No. 10-F/2020 of 26 March 2020 that 'Establishes an exceptional and temporary regime for complying with tax obligations and for contributions in the context of the COVID-19 disease pandemic' establishes (in Article 1, paragraph e) and in Article 6) the extraordinary extension of unemployment benefits and of all benefits of the social security system that guarantee subsistence minimums, and suspends the evaluation of conditions (means test) for maintaining social security system benefits. The measure published on 26 March applies retroactively from 12 March. Article 6 Extraordinary extension of social benefits 1 - Unemployment benefits and all benefits of the security system are extraordinarily extended guaranteeing subsistence minimums whose concession period or renewal term ends before the term referred to in paragraph 3. 2 - The reassessments of the conditions for maintaining the benefits of the Social Security payment system are extraordinarily suspended. Decreto-Lei n.º 10-F/2020 - Diário da República n.º 61/2020, 1º Suplemento, Série I de 2020-03-2 (dre.pt)

- 28 March 2020: Declaração de Retificação n.º 13/2020 - Diário da República n.º 62-A/2020, Série I de 2020-03-28 Declaração de Retificação n.º 13/2020 - Diário da República n.º 62-A/2020, Série I de 2020-03-28 (data.dre.pt)