

In Tunisia, the Ministry of Finance announced measures to limit the economic and social impact of the Corona virus, while recalling that the implementation of these measures requires the publication of the necessary regulations or legislation.

We have grouped these measures according to the particularities of each category of companies that will benefit from these facilities and advantages:

I. Measures relevant to all sectors

1. Deferral of the deadlines for the filing of financial statements and corporate tax returns (the normal legal deadline was March 25) until the end of May 2020, except for companies subject to corporate tax at the rate of 35% (banks, insurance, telecom...).
2. Suspension until the end of May 2020 of all control operations by the tax authorities and of all deadlines relating to tax audits, as well as of the deadlines for objections.
3. Rapid restitution of tax credits (for all companies), by accelerating the frequency of holding the commissions in charge of examining claims for restitution (weekly frequency instead of fortnightly) so that payment is made within a period not exceeding one month.
4. Legal revaluation of built and non-built buildings free of tax, subject to the condition that the buildings are not sold (measure aimed at improving the equity capital on the company's balance sheet, without any gain in liquidity).
5. Extension of the deadlines for the payment of car traffic taxes until the end of April 2020 (instead of 5 April). This also concerns private cars.
6. Amnesty of customs fines that were the subject of official reports or judgements prior to 20 March 2020, on condition that all taxes and duties due are paid, as well as a 10% fine.

II. Measures of interest to fully exporting companies

1. Authorization for fully exporting companies operating in the food and health industries to sell their products entirely on the local market (100% instead of 30%) during the year 2020.
2. Allowing fully exporting companies operating in other sectors to sell half of their products on the local market (50% instead of 30%) by the year 2020.

III. Measures affecting the most affected companies

1. Rescheduling of recorded tax debts for a period of up to 7 years.
2. Suspension of the settlement of penalties for late payment of taxes for a period of three months, from 1 April 2020 until the end of June 2020 (i.e. in concrete terms, the monthly declarations of March, April and May can be paid at the end of June without late payment penalties).
3. Facilitation of the procedures for refunding the credit for VAT from the holding, abandonment of the condition relating to the chronicity of the deferral for 6 consecutive months, and refund of the credit within a period not exceeding one month.
4. Instant issue of certificates of purchase under suspension of taxes and other certificates, even in the event of failure to submit all the required documents, provided that the firms affected undertake to communicate these documents to the Tax Office at a later date.

The definition of the companies most affected will be determined by government decree after consultation with representatives of the monitoring unit at the level of the Presidency of the Government. This unit is composed of representatives of the Ministries of Finance and Social Affairs, the Central Bank of Tunisia, the Union of Private Company Employers, the Workers Union, the Professional Association of Banks and Financial Institutions and the Tunisian Union of Agriculture.

It is specified that the role devolved to this unit includes, in addition to the definition of the affected companies, the follow-up of the implementation of the above-mentioned measures, as well as the control of the respect by these companies of the rights of employees and the preservation of jobs.

IV. Measures affecting the most affected sectors

1. Establishment of a guarantee mechanism for new management, operation and maintenance bank credits, which will be granted by banks until 31 December 2020 and which will be reimbursed over a period of 7 years, including two years grace period. The envelope dedicated to these new credits is set at 500 million Tunisian Dinars. (For information: 1 USD = 3 TND).
2. This measure concerns the tourism sector with all its components, including tourist hotel establishments, travel agencies, tourist restaurants, handicrafts, the transport and cultural sectors, as well as any other affected activity.

V. Financial measures affecting small and medium-sized enterprises

1. Allocation of an additional allocation of 300 million Tunisian Dinars to strengthen the line of credit dedicated to the support and recovery of small and medium-sized enterprises.
2. Activation of the advantage of the State's assumption of the difference between the interest rate on investment credits and the average money market rate within the limit of three points.

VI. Measures setting up investment funds dedicated to the financial restructuring of enterprises

1. Creation of an Public investment fund in the amount of 500 million Tunisian Dinars (including 100 million Tunisian Dinars in initial subscription), aimed at financing companies operating in strategic sectors by means of quasi-equity capital (quasi-equity), with a view to strengthening the permanent resources of companies that preserve jobs.
2. Creation of a bridging fund in the amount of 100 million Tunisian Dinars at the initiative of the State, which will be devoted exclusively to the purchase of investment fund holdings in enterprises operating in strategic sectors and experiencing difficulties.

VII. Measures affecting the public health sector

1. Establishment of an investment mechanism amounting to 100 million Tunisian Dinars at the initiative of the State, which will be dedicated exclusively to financing the acquisition of equipment for hospitals and public health establishments.
2. Exemption of retail and wholesale drug distribution companies from VAT.

VIII. Measures of interest to companies that have concluded public contracts

1. Exemption from penalties for delay in the performance of public contracts whose execution is interrupted because of the Corona virus, for a period of up to 6 months.

IX. Measures concerning the cultural sector

1. Creation of a fund to support the cultural sector and businesses and cultural projects affected by the cancellation of shows and cultural events.