

CORONA – Overview of extraordinary Corona virus regulations in Switzerland

Non-exhaustive overview of the measures taken by the Swiss Confederation to deal with the corona crisis. The overview is not conclusive. The Government is constantly adopting the measures. The cantons provide further assistance.

The following overview was prepared as of 23 March 2020.

1) State aids

To cushion the economic consequences of coronavirus, the Federal Council has approved a **comprehensive package of measures** amounting to CHF 32 billion on 20 March 2020. Together with the measures already approved on 13 March 2020, **over CHF 40 billion** should be available. The aim of the measures, which are aimed at various target groups, is to maintain employment, safeguard wages and support the self-employed. Measures have also been taken in the cultural and sports sectors to prevent bankruptcies and cushion the drastic financial consequences. The new measures are designed to avoid cases of hardship as far as possible and, if necessary, to support the persons and sectors concerned as unbureaucratically, specifically and quickly as possible.

2) Finance and banking measures

- The instrument of **short-time work compensation** makes it possible to compensate for temporary job losses and to maintain jobs. In principle, **80% of the loss of income** is covered by the state (the maximum creditable salary is currently CHF 148'200.00). Due to the current exceptional economic situation, people who work on a fixed-term, temporary or employer-like basis as well as people who are in an apprenticeship are

also severely affected. For this reason, the entitlement to compensation for short-time work is to be extended and the application process simplified.

- **Parents and self-employed people** who must interrupt their gainful employment due to school closures in order to care for their children are entitled to compensation. They are also entitled to compensation in the event of interruption of employment due to a **quarantine** ordered by a doctor. Such loss of earnings is regulated in accordance with the Income Compensation Act (EO) and paid as a daily allowance. This allowance corresponds to 80% of income and amounts to a maximum of 196 Swiss francs per day. The compensation is limited to 10 daily allowances for persons undergoing quarantine measures. This regulation also applies to **freelance artists**.
- Emergency aid by means of guaranteed COVID **bridging loans**: To enable affected SMEs (sole proprietorships, partnerships, legal entities) to receive bridging loans from the banks, the Federal Council will set up a guarantee programme worth **CHF 20 billion**. This programme should build on existing structures of guarantee organisations. Affected companies should be able to obtain credit amounts of up to 10% of turnover or a maximum of CHF 20 million quickly and easily. Amounts of up to CHF 0.5 million are to be paid out immediately by the banks and 100% guaranteed by the Swiss Confederation. Amounts in excess of this are to be guaranteed by the Federal Government at a rate of 85% and require a brief bank examination.
- Immediate measures have already been implemented since February 2020 within the framework of **tourism** policy promotion instruments. The focus is on information and advisory activities as well as measures to bridge liquidity bottlenecks. The Confederation is strengthening its support by waiving repayment of the remainder of the additional loan to the Swiss Society for Hotel Credit SGH, which expired at the end of 2019. As a result, SGH now has an additional **CHF 5.5 million** at its disposal for loans to retrospectively finance investments by accommodation establishments that have financed them from cash flow over the past two years.
- The Federal Council wants to prevent permanent damage to the Swiss cultural landscape and preserve Switzerland's cultural diversity. The economic impact of the ban on events on the **cultural sector** (performing arts, design, film, visual arts,

literature, music and museums) is to be cushioned by means of immediate aid and compensation. In a first step, it is making **CHF 280 million** available as a first tranche for two months.

- In **sport**, clubs, associations and organisers are faced with existential problems because events in both popular and competitive sport or, for example, championships must be cancelled. In order to prevent massive structural damage to the Swiss sports landscape, the Federal Council is providing the following financial cushioning:
 - **CHF 50 million** as repayable loans to bridge liquidity bottlenecks for organisations that either operate in a league of Swiss sport with predominantly professional match operations or organise competitions for professional competitive sport.
 - **CHF 50 million** as subsidies in the event of existential threats to organisations based on volunteer work and mainly promoting mass sport.

3 – Payment delays

Companies will have the option of extending payment periods without having to pay interest on arrears.

Companies affected by the crisis can be granted a temporary, interest-free deferral of payment of social security contributions.

4 – Tax exemptions and social security contributions

See chapter 3 – Payment delays.

5 – Employment law measures

- For **financial support** for employees see chapter 2 above.

- **Hospitals and clinics** are particularly challenged in the current situation. Due to the extraordinary amount of work and scarce personnel resources, it is not possible for them to deploy staff in such a way that all legal requirements are met. For this reason, they are given **flexibility in working hours and rest periods** as far as possible. However, the primary objective is still to ensure that the doctors, nursing staff, specialist employees and all other persons who make their valuable and committed contribution to coping with this extraordinary situation are sufficiently protected.
- The federal government **lifts the ban on night and Sunday driving for trucks** in order to secure the **supply of food** during the Corona crisis. The rest periods for chauffeurs are relaxed. And there will soon be separate lanes for goods at the borders.

6 – Any other specific measures

The Federal Council has ordered the so-called legal **standstill in debt collection**. This will apply from 19 March to 19 April 2020.

On 20 March 2020, the Federal Council decided to allow the **judicial vacations in civil and administrative proceedings**, which are scheduled for Easter, to begin on 21 March already and last until 19 April 2020. The current deadlines will stand still during this period.

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