

! UPDATED**A First Aid Package for Your Business:
What Immediate Measures to Take?**

Checklist of 10 key coronavirus-related issues for directors



CRISIS MANAGEMENT: Develop a consistent and effective system of company operations both externally and internally in respect of a crisis. Ensure that the persons and bodies authorised to immediately act are available.



LIQUIDITY PLANNING: Take suitable measures to safeguard liquidity. Constantly adapt business planning to the changing circumstances. Monitor the liquidity situation and expected liquidity developments by continuously assessing current and future commitments.



CONTRACTS: Review all material contracts and identify any applicable contractual terms, including notice requirements and force majeure clauses, and seek to reach agreements with contractual partners on possible contractual variations or waivers to prevent defaults and violations of such contracts.



LOAN FINANCING: Proactively communicate with creditors with a view to negotiating short-term breathing space and ensuring business is able to continue operating via, e.g., contractual waivers or forbearance measures. Or deliver a notice to the creditor on the use of the protection period due to the negative economic impact of the current pandemic through which the payment of debts to the creditor is delayed and the debtor is only obliged to pay the agreed interest or other interim payments agreed in the contract.



EMPLOYMENT MATTERS: Monitor staffing issues and take any necessary measures, such as transferring employees to other work, salary reductions, or in extreme cases redundancy. Claim compensation from the government for employers' eligible costs for quarantined employees and employees of closed operations.



TAXES: Comply with VAT tax return filing deadlines, control reports and VAT payments. Unlike income tax returns (which have been postponed until 1 July 2020), former VAT payment deadlines continue to apply. Explore the possibility of requesting a postponement of VAT tax payment obligations.



DOCUMENT DAMAGE: Collate and preserve all documentation that could attest to damage incurred in connection with the current state of emergency (e.g. cancelled customer orders, photo-documentation of unused spoiled goods and related orders and invoices, documents attesting to a decrease in sales, etc.) for potential future damages applications.



GOVERNMENT ASSISTANCE: Monitor government programs and special funding offers provided in connection with the coronavirus crisis, such as an interest-free loan or guarantee program provided by the Czech-Moravian Guarantee and Development Bank (Českomoravská záruční a rozvojová banka, or ČMZRB) for small and medium-sized businesses affected by coronavirus to ensure operational financing.



INSOLVENCY PROCEEDINGS: Following the adoption of the Lex COVID-19 Act, a debtor's obligation to file an insolvency petition is suspended until the expiry of 6 months from the end of the current emergency measures, or until 31 December 2020 at the latest. Also, all creditor insolvency requests submitted up to 31 August 2020 will not be processed. A new option has also been created to apply for an extraordinary moratorium during which a company is protected from bankruptcy proceedings and the termination of contracts for the supply of energy, materials, goods and services due to a default in payments - thus allowing the company to continue to operate. Monitor the insolvency register and file claims on other companies in bankruptcy on time.



BUSINESS OPPORTUNITIES: Consider the possible business opportunities arising from the coronavirus crisis, such as cooperation with companies overburdened in this time of crisis and suffering from severe staff shortages, materials shortages, transportation limitations, etc. Try to avoid high-risk business endeavours that could easily backfire during the current climate of economic uncertainty.



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