CLIFFORD CHANCE

CORONAVIRUS:
GOVERNMENT FINANCIAL AID TO BUSINESS – AN AFRICAN GUIDE

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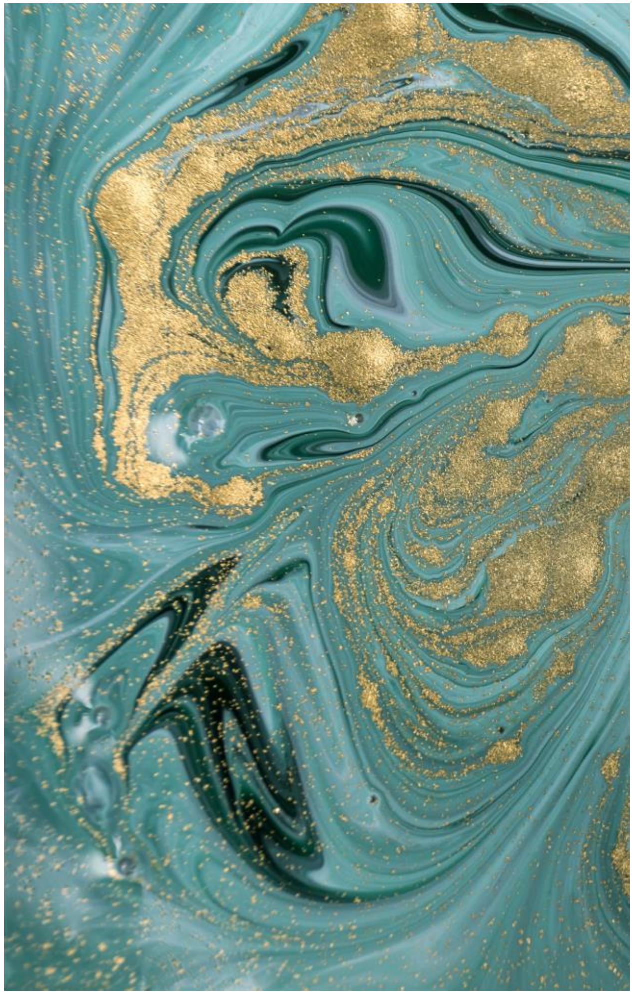

INTRODUCTION

As well as a public-health crisis, the Coronavirus (Covid-19) pandemic is having significant adverse consequences on many African economies.

Though African nations currently count for only a fraction of global coronavirus cases, experts worry that their cash-strapped and under-equipped healthcare systems make them ill-prepared to tackle large-scale outbreaks and the significant resources devoted to debt servicing in many of them mean that financial shocks could be severe in the context of the pandemic.

Governments in Africa are taking measures to mitigate the economic impact, including a range of actions to provide financial support to businesses. These support packages include:

- Measures to ensure the continued flow of credit to businesses, through guaranteed or subsidised loans or central bank asset-purchase programmes;
- Relief from taxes, through tax holidays, deferrals or other relief; and
- Outright grants to businesses.

This guide is up to date as of 20 April 2020 and provides a review of the main actions taken by certain African governments in which Clifford Chance operates through our global Africa practice and regional hub in Casablanca. It also includes input from various law firms that we regularly work with as local counsel. It does not, however, cover all actions by Governments and Central Banks to manage monetary policy or regulators' prudential actions specifically directed at the financial sector.

This document is not intended to be comprehensive or to constitute legal advice. For more information, please contact your relevant Clifford Chance contacts or the Lawyers for the African Law Firms listed in the Contacts section of this guide.

ALGERIA

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The Bank of Algeria issues an instruction on exceptional measures to reduce the impact of Covid-19.

The Association of Banks and Financial Institutions (ABEF) issues several aid and support measures to safeguard companies facing difficulties in carrying out their activities.

Instruction n°05-2020 of 6 April 2020, introducing provisions applicable to banks and financial institutions

Press article in respect of measures taken by ABEF

In order to reduce the impact of the Covid-19, the Bank of Algeria specified exceptional measures to soften certain prudential provisions applicable to banks and financial institutions, in terms of liquidity, capital and debt classification. Such measures notably include the possibility to reschedule and restructure client debt.

Pursuant to Instruction No. 05-2020 of the Bank of Algeria, the Association of Banks and Financial Institutions (ABEF), banks and financial institutions will examine the individual situation of each client (individual professionals, very small businesses, small and medium-sized enterprises, small and medium-sized industries and large companies) and will grant the appropriate following measures:

1. Extension and/or renewal of deadlines for credits maturing on or after 31 March 2020;
2. Consolidation of unpaid debts not treated on or after 31 March 2020;
3. Extension of the deadlines for the use of credit facilities and deferred payments;
4. Cancellation of penalties for late payment of receivables due on or after 31 March 2020; and
5. Maintenance and/or renewal of operating loans.

The measures decided are applicable for a period of 6 months from 31 March 2020.

Prime Minister's instruction on suspension of contractual deadlines and non-application of financial penalties for deadline delay.

Suspension of penalties for late payment by companies

The Prime Minister decided to suspend late payment penalties on companies in order to mitigate the impact of preventative measures implemented in order to contain the Covid-19 pandemic on the country's economic situation.

For all public procurements, local authorities, public bodies and institutions, penalties for delay within the limit set by the orders for stopping and restarting services issued accordingly by the contracting party will not be applied, from 21 March 2020, on measures to prevent and combat the spread of Coronavirus. In addition, and in order to mitigate the financial consequences on public and private construction companies and on employment, the Minister of Finance should release and notify, as soon as possible, to the various project owners, the receivables (and any reassessment of such receivables) necessary for their payment under the public procurement.

ALGERIA (CONTINUED)

The Ministry of Labour announces extension to deadline for payment of social security contributions. *[Extension of the deadline for the payment of social security contributions]()*	Extension until 30 May 2020 of the deadline for the payment of contributions for the month of April to the National Social Insurance Fund for Salaried Employees (CNAS), as well as the extension of the deadline for the payment of contributions to the National Social Security Fund for Non-Salaried Employees (CASNOS), until 30 September, initially scheduled for 30 June of each year. Regarding workers in the construction, public works and hydraulic sectors currently on leave as part of preventive measures taken against the spread of Covid-19, the Minister said that the National Fund for paid leave and bad weather unemployment in the construction and public works sector (CACOBATPH) will exceptionally take in charge, the advance payment of annual leave of such workers according to the months contributed between July 2019 and February 2020, calling on those concerned to contact the CACOBATPH to benefit from this measure.
Government to give priority to investment in agriculture. *Press article in respect of priority to agricultural sector*	For the agricultural sector, the President of Algeria outlined that priority is to be given to the investment in agricultural products to ensure the country's food security (notably cereal chains).
Ministry of Finance tasked to facilitate measures on customs and imports-related banking procedures. *Press article in respect of measures to be taken by Ministry of Finance*	The Ministry of Finance is tasked to facilitate customs clearance of imported food products and to speed up the related banking procedures in light of the exceptional situation the country is going through.
Compensation to operators for losses relating to COVID-19 measures. *Contact relevant Lawyer listed as contact*	The Government will set out remedies in order to compensate damages to operators caused by the preventative measures taken by the Government.
The General Tax Department (DGI) has put in place tax measures to support businesses. *Contact relevant Lawyer listed as contact*	An extension has been granted for the deadline for declarations and the payment of duties and taxes until (i) 20 May 2020 for monthly and trimestral declarations, (ii) 30 June 2020 for the annual declarations; and (iii) 31 May 2020 for the companies attached to the *Direction Generale des Entreprises*. There is also the possibility of requesting a tax debt payment schedule for taxpayers who find themselves in a difficult financial situation.

CAMEROON

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Government has taken measures to facilitate foreign trade operations in Cameroon. *Declaration of the General Manager of Customs, Cameroon*	The measures announced to facilitate foreign trades operations include: 1. Relief and humanitarian consignment shall benefit from direct collection procedures; 2. Electronic exchange of administrative correspondence is recommended through the following address - cab.douanes.cameroun@gmail.com; and 3. In terms of admissibility of customs declarations and goods removal operation, the requirement for certain commercial documents and related procedures is reduced as follows: • taking into account documents transmitted electronically instead of the original, subject to regularisation, if any; • acceptance of electronic invoices; • acceptance of copies of EUR1 Movement Certificates for the application of the preferential tariff of the Economic Partnership Agreement between Cameroon and the European Union; and • acceptance of system receipts instead of the original signed by the receiver, subject to regularisation.
Proposals made in respect of taxation. *Announcement of the General Manager of Taxation, Cameroon*	The *Groupement Interpatronal du Cameroun* has made several proposals to the Government, but measures are not yet in place other than an invitation to taxpayers of the 'Large Tax Unit' to henceforth file their contentious claims and requests for respite of payment exclusively online, via the website www.impots.cm.

CÔTE D'IVOIRE

SEE ALSO SECTION: **WEST AFRICAN MONETARY UNION**

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Government announces plan to introduce measures to sustain businesses and the economy.

Official website of the government of Côte d'Ivoire

Declaration of the Prime Minister of Côte d'Ivoire

The measures announced to sustain businesses include:

1. suspension of tax audits for a period of 3 months;
2. Postponement, for 3 months, the payment of flat-rate taxes for small traders (retailers) and craftsmen;
3. Postponement, for a period of 3 months, the payment of taxes, contributions and similar payments due to the Government as well as social charges, due to cash flow difficulties of businesses;
4. Reduction of the transport license by 25%;
5. Postponement, for a period of 3 months, the payment of tax on revenue from capital for tourism and hotel businesses which are experiencing difficulties;
6. Exemption of certain duties and taxes on health equipment, materials and other health inputs used in the fight against Covid-19;
7. Cancellation of the penalties for delays in the execution of public procurements and orders with the state during the crisis period;
8. Reimbursement of VAT credits within 2 weeks;
9. Continuation of payments on domestic debt, in particular for companies in the sub-sectors affected by the crisis, by favouring invoices of less than XOF100 million in order to reach the maximum number of companies, in particular SMEs and VSEs;
10. Restructuring, in conjunction with the Autonomous Ports of Abidjan and San Pedro, of the payment of storage costs during the pandemic period in order to defer penalties and suspend the invoicing of demurrage charges.

The measures announced to sustain the economy include:

1. The establishment of a support fund for the private sector for an amount of XOF250 billion, taking into account the strengthening of support for SMEs for at least XOF100 billion and the establishment of a guarantee fund, in order to have a leverage effect on access to credit;
2. The establishment of a specific support fund for businesses in the informal sector affected by the crisis for an amount of XOF100 billion;
3. Support for certain sub-sectors of the national economy, in particular cashew, cotton, rubber, oil palm, cocoa, coffee, for an amount of XOF250 billion; and
4. Support for food, vegetable and fruit production for an amount of XOF50 billion, including XOF20 billion for inputs.

CÔTE D'IVOIRE (CONTINUED)

Council of Ministers adopts ordinances on the tax measures taken in response of the Covid-19 pandemic. *Council of Ministers official statement*	On 8 April 2020, the Council of Ministers adopted two ordinances and their ratification bills on the tax measures taken in response to the Covid-19 pandemic. Estimated at around XOF117.5 billion, these measures include: 1. the temporary suspension of the payment of certain taxes; 2. the total or partial exemption of various taxes and charges; and 3. the admission in charge of the costs incurred in the fight against the pandemic, in particular, in terms of strengthening the healthcare system and the supply of drugs and protective equipment.
Council of Ministers adopts ordinances and their ratification bills on the establishment of support funds for large companies and SMEs. *Council of Ministers official statement*	On 15 April 2020, the Council of Ministers adopted two ordinances and their ratification bills establishing: 1. a support fund for large companies, called FSGE COVID-19; and 2. a support fund for small and medium enterprises, called FSPME COVID-19. These two funds have a global envelope of XOF250 billion, with XOF100 billion for FSGE COVID-19 and XOF150 billion for FSPME COVID-19.
Establishment of an emergency programme to support the agricultural and food production sectors. *Contact relevant Lawyer listed as contact*	An emergency programme has been implemented to support the agricultural and food production sectors. This programme will consist of: 1. public transfers - taking into account, in particular, price and income support, provision of goods and services including fertiliser subsidies and the development of plots and seed distributions; and 2. the development of a specific legislation. It will be under the supervision of an Inter-Ministerial Committee for Raw Materials, steered by the Prime Minister.

EGYPT

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Central Bank of Egypt (CBE) announces that:

1) That local banks are to apply payment holidays for certain types of loans and waiver of delay charges for a 6-month period, particularly in respect of the SME sector;
2) stimulus measures in respect of banking transactions to be introduced.

Central Bank of Egypt site

The Central Bank of Egypt (CBE) announced stimulating measures involving:

1. A moratorium, for a duration of 6 months, on all entitlements resulting from all credit facilities granted to all individuals and institutions without imposing any delay interests or charges. Throughout the moratorium duration, the relevant individual or entity will only be liable to pay the agreed interest rate accumulated during such duration. The moratorium applies to all credit facilities including credit cards. The value of total interest accumulated amid the 6-month moratorium will be paid over the new period of the facility, and proportionate to the client's payment ability. The CBE emphasised in this regard that banks are refrained from claiming the postponed interest value from clients at the first entitlement after the expiration of the moratorium duration;

2. Exempting all local transfers in EGP from all charges and commissions; and

3. Decreasing the CBE Deposit rate, Lending Rate and Rate of Main Operation. The Monetary Policy committee of the CBE has also issued a circular for the reduction of the overnight deposit rate, overnight lending rate and rate of the main operation by 300 basis points to become now 9.25%, 10.25%, and 9.75%, respectively. The discount rate was also cut by 300 basis points to become 9.75%.

The Ministry of Finance officially announced that the state has completed the drafting of a new bill comprising further stimulus measures and packages for affected sectors.

Ministry of Finance site

The Ministry of Finance announced a number of measures that will be provided for in the new legislation, highlighting the following:

1. Deferral of real estate tax for affected sectors for a duration of 3 months without imposing any delay charges;

2. Relieving all hotel and touristic facilities from real estate tax for a period of 6 months and postponing the payment of any dues for a period of 3 months without delay fines or interests;

3. Allowing affected sectors to submit their annual income tax until 30 June and effect payment in three instalments without a delay fine; and

4. Allow supportive loans to the airline sector with a grace period of 2 years.

The Ministry of Finance emphasised that benefiting from the relevant measures will be conditioned on not terminating employment of any employees; and

The state will also finance a monthly grant of EGP 500 for irregular labour for a duration of three months.

ETHIOPIA

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Government introduces tax exemptions and allocates financial support for the healthcare and agricultural sectors and to local private banks for the purpose of facilitating debt restructuring and preventing bankruptcies.

Federal Democratic Republic of Ethiopia-Office of the Prime Minister

International Monetary Fund

With respect to business support, the Ethiopian Government has put in place the following measures:

1. Allocating ETB300 million to bolster healthcare spending, which is to be increased to ETB5 billion in due course;

2. A 3 month Covid-19 Multi-Sectoral Preparedness and Response Plan which, with respect to businesses, this is to be utilised as follows:

   - USD430 million for health sector response;
   - USD293 million for agricultural sector support, nutrition, the protection of vulnerable groups, additional education outlays, logistics, refugees support and site management support; and
   - ETB600 million allocated to the Addis Ababa City Administration for purchasing stockpiles of food/other essential goods and distributing the same to 800 retail shops.

3. Additionally, the National Bank of Ethiopia provided ETB15 billion to private banks for the purpose of facilitating debt restructuring and preventing bankruptcies;

4. Banks are able to avail of foreign currency for imports of Covid-19 prevention materials/goods;

5. Removal of minimum price requirements for flour exports; and

6. Reduced amount of limits on mobile banking transfers on commercial banks for Ethiopian accounts.

With respect to tax, the measures introduced include a tax exemption for imports of goods in the prevention and containment of COVID-19 and expedited Value Added Tax refunds to support companies with cash flow issues.

Details of the National State of Emergency Implementing Rules were also unveiled and include a prohibition on termination of employment contracts.

Djibouti has also temporarily lifted cargo-terminal handling charges for export commodities from Ethiopia, effective from 14 April 2020.

KENYA

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Government seeks circa USD2 billion financial package from global financial institutions and prepares tax relief programme.

Office of the President of Kenya

Kenya is negotiating USD750 million in budget support from the World Bank and USD350 million in emergency assistance from the International Monetary Fund (IMF).

The Treasury has further announced a USD5 million package to support the tourism industry.

The government seeks to implement a number of reliefs to cushion businesses during this period. Some of these measures include:

1. Reduction of corporation tax from 30% to 25%;
2. Reduction of turnover tax rate from 3% to 1%, which is tax payable by any resident person whose turnover from business does not exceed or is not expected to exceed KES5 million during any year of income;
3. Temporary suspension of listing with Credit Reference Bureaus of any person, SME or corporate entities whose loan accounts fall due or is in arrears effective 1 April 2020;
4. Immediate reduction of Value Added Tax (VAT) from 16% to 14% effective 1 April 2020;
5. All ministries to pay KES13 billion of all verified pending bills within 3 weeks from 25 March 2020 to improve liquidity in economy and ensure businesses remain afloat;
6. The private sector to clear all outstanding payments within 3 weeks; and
7. The Kenya Revenue Authority to expedite payment of all VAT refund claims within 3 weeks amounting to KES 10 billion.

KENYA (CONTINUED)

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Central Bank of Kenya introduces measures to assist in alleviating the impact of the Covid-19 pandemic and Banks allow individual and SME loans to restructure loans with no cost.

Central Bank of Kenya press release (18 March 2020)

Central Bank of Kenya press release (24 March 2020)

Kenya Bankers Association

The Central Bank of Kenya introduced the following measures to assist in alleviating the impact of the Covid-19 pandemic:

1. Lowering of the Central Bank Rate to 7.25 % from 8.25 %;

2. Reduction of the Cash Reserve Ratio to 4.25 % from 5.25 %, which is expected to provide additional liquidity of KES35 billion to commercial banks to directly support borrowers that are distressed as a result of the economic effects of Covid-19; and

3. Flexibility to banks in relation to statutory requirements for loan classification and provisioning for loans classified as performing as at 2 March 2020 and whose repayment period is extended or restructured as a result of Covid-19.

Additionally, Kenyan banks have agreed to offer individuals relief on their personal loans should they encounter challenges and allow small and medium enterprises to restructure their bank debts at no cost.

MOROCCO

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Government establishes a Special Fund for the Management and Response to Covid-19. *Royal Instructions (15 March 2020)* *Decree no. 2-20-269 (17 March 2020)*	The Moroccan Government has established a Special Fund for the Management and Response to Covid-19 which is intended to alleviate the impact of the coronavirus outbreak on Morocco's society and national economy, especially for vulnerable sectors such as tourism, and to cover the costs of upgrading medical infrastructure to appropriately treat Covid-19 patients. Public contributions can be made to the fund and to date the fund surpasses MAD25 billion (USD2.54 billion) since its inception on 15 March 2020.
Government introduces measures in respect of employees. *Ministry of Labour press release (18 March 2020)* *Ministry of Economy press release (19 March 2020)* *Government Spokesperson press release (24 March 2020)*	In respect of measures relating to employment, all physical processing of foreign work visas are suspended, however the online platform remains operational to allow for the preparation of such requests with the aim to facilitate their processing once the service reopens. The Government has also introduced measures whereby employees who have lost their jobs will receive MAD2000 monthly and continue to benefit from family allowances and mandatory health coverage as well as a deferral period on their loans until 30 June 2020. Employees affiliated with the CNSS (social security) will be granted a MAD2000 monthly allowance disbursed from the Fund for Management of Coronavirus Effects. They will also continue benefiting from family allowances and compulsory health Insurance.
Government can now exceed threshold on foreign debt issuance. *Decree-law no. 2-20-320 (7 April 2020)*	The Moroccan parliament adopted a decree-law authorising the government to exceed its threshold of foreign debt under article 43 of the Finance Law 70-19 for fiscal year 2020. This measure aims at enabling the country to meet its foreign currency needs, particularly through recourse to borrowing on the international market, given that a number of sectors including tourism, foreign direct investment, the export sectors and transfers from Moroccans residing abroad have been impacted by Covid-19.

MOROCCO (CONTINUED)

Government grants discretion for public companies on investment and spending powers and easing of public procurement and tender rules regarding signing of documents. *Ministry of Economy Circular (31 March 2020)* *Ministry of Economy Circular (2 April 2020)*	To ensure more flexibility in the activity of public companies and institutions, the Government has passed a circular giving such companies and institutions more discretion in their investment and spending powers and encouraging the use of electronic documents for public procurement and tenders. In this context, the Ministry of Economy and Finance has simplified certain procedures relating to public procurement by the state and local authorities. These measures include waiving the requirement for responses to public tenders to be signed by an electronic signature via the Barid-Esign 'class 3 electronic certificate' for companies that do not have these certificates, and allowing public works construction companies to scan certain documents necessary for the electronic submission of invoices.
Government announces measures for pushing back deadlines for private companies and encourages public companies and institutions to take all necessary measures to accelerate any payments owed by them to companies, in particular SMEs. *Ministry of Economy circular (26 March 2020* *Ministry of Economy Circular (14 April 2020)* *Ministry of Economy press release (19 March 2020)* *Ministry of Economy press release (19 March 2020)* *Direction Générale des Impôts press release*	The Ministry of Economy and Finance has provided certain measures on time limits for the performance of public contracts to alleviate cash-flow difficulties of companies and safeguard jobs. Such measures include: 1. maintaining payment deadlines for payments owed by the State and local authorities to such companies and to maintain interest penalties for delays in such payments; and 2. providing performance extensions, by way of amendments, to contractual deadlines within the limit of duration of the state of health emergency. Small businesses and the self-employed will also benefit from postponing their due loan payments until 30 June 2020, will be spared paying social and pension contributions, and will have access to an additional credit line granted by banks and guaranteed by the *Caisse Centrale de Garantie* (CCG) (see next page). Companies with annual 2019 revenue of less than MAD20 million may benefit from a tax deferral until 30 June 2020.

MOROCCO (CONTINUED)

Government announces Credit guarantee scheme to open further short term facilities for SMEs. *Ministry of Economy press release (27 March 2020)*	The "*Damane Oxygène*" credit guarantee scheme established by the Ministry of Economy with *Caisse Centrale de Garantie* (CCG) is a guarantee covering 95% of revolving credit lines for companies whose treasury has degraded. The idea is to allow these companies to benefit from another revolving credit line or bank overdrafts between 5 and 20 million dirhams, to finance short-term liabilities for up to 3 months of salaries, suppliers, rent etc. This guarantee scheme is mainly for SMEs with annual revenue of less than MAD200 million, and exceptionally for medium-sized enterprises with turnover between MAD200 and MAD500 million.
Bank Al-Maghrib reduces its reference rate and provides support measures for banks. *Bank Al-Maghrib press release (18 March 2020)* *Bank Al-Maghrib press release (29 March 2020)*	Bank Al-Maghrib has reduced its reference rate by 25 basis points, to 2%, effective from 19 March 2020 and has provided support measures for banks by: 1. Extending their access to refinancing financial instruments both in MAD and foreign currencies, 2. Providing a larger selection of titles and endorsements accepted by Bank Al-Maghrib as consideration for refinancing, 3. An extension on the terms of refinancing, and 4. Reinforcing its refinancing programme specifically with respect to SMEs.

NIGERIA

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Central Bank of Nigeria releases policy and fiscal measures. *Central Bank of Nigeria Circular (23 March 2020)* *Central Bank of Nigeria circular (16 March 2020)* *Full list of government interventions*	The Central Bank of Nigeria (CBN) announced a credit relief package of circa USD130 million to households and micro, small and medium-scale enterprises affected by the Covid-19 pandemic. The CBN also declared a 1-year moratorium on all principal repayments in respect of loans granted under its various intervention funds, effective 1 March 2020. To this end, it has also directed all lending institutions that have granted loans pursuant to such intervention funds to provide new amortisation schedules for all such loans. Further measures include: 1. A USD258 million intervention fund on healthcare loans for pharmaceutical companies, medical establishments and healthcare practitioners seeking to construct new healthcare facilities or expand/upgrade existing facilities. 2. Granting Deposit Money Banks leave to consider temporary and time-limited restructuring of the tenor and loan terms for businesses and households most affected by the outbreak of Covid-19; and 3. Directing that the interest rates on all applicable intervention facilities introduced by the CBN be reduced from 9% to 5% per annum for 1-year, effective 1 March 2020.
The Federal Inland Revenue Service extends the timelines for tax filings. *FIRS Press Release*	The Federal Inland Revenue Service (FIRS) extended the timelines for filing Value Added Tax and Withholding Tax returns to the last working day of the month following the deduction from the 21st day of the month. The due date for filing companies' income tax returns was also extended by 1 month.
The Lower House of the Legislature passes the Emergency Economic Stimulus Bill, 2020. *House of Representatives Press Release*	The Lower House of the Legislature passed the Emergency Economic Stimulus Bill, 2020. The Bill seeks to, amongst other things, protect employees from loss of jobs as a result of Covid-19 by granting a 50% income tax rebate to Nigerian companies who retain all their employees from 1 March 2020 to 31 December 2020. The Bill also introduces a new moratorium on mortgage obligations under the National Housing Fund.

SENEGAL
SEE ALSO SECTION: **WEST AFRICAN MONETARY UNION**

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Government announces creation of a “FORCE-COVID-19” fund, tax discounts and introduces measures in relation to businesses. *Government of Senegal Covid-19 official Portal* *Speech of the President*	Government announces creation of a “FORCE-COVID-19” fund which aims to support companies and households and will be financed by the state, private sector, bilateral partners and multilateral partners. As of 3 April 2020, the government has also introduced the following new measures: Business-related measures: 1. XOF64.4 billion to support the health sector to cover the Covid-19 related expenses; 2. XOF302 billion to repay debt owed by the state to suppliers; 3. XOF100 billion to subsidise the most impacted sectors including, but not limited to, transport, hotels and agriculture; 4. Discount or suspension of payment of tax to companies which commit to maintaining their workers during the crisis or to pay at least 70% of the salary to the employees who have been placed on short-time working structures; 5. Cash flow facilities relating to the contributions paid by the companies to social security and pension bodies; Tax-related measures: 1. SMEs with a turnover of a maximum of XOF100 million and companies operating in the most impacted sectors will benefit from deferred payment of taxes until 15th July 2020; 2. Shortened timeframes for repayment of VAT credits to provide cash flow to companies; 3. General extension of the deadline to pay suspended VAT from 12 to 24 months. This will constitute a postponement of the payment of the VAT collected by Tax authorities and customs in the amount of XOF15 billion for the year 2020; 4. Partial waiver of tax due by the companies and individuals in the amount of XOF200 billion; and 5. Suspension of the collection of tax and customs’ duty owed by the companies most impacted by Covid-19.
Government announces the creation of a fund of XOF200 billion to secure salaries of their private sector employees and has issued an ordinance providing derogatory measures on termination of employment contracts and short-time employment. *Contact relevant Lawyer listed as contact*	The Government has announced the creation of a fund of XOF200 billion to secure private sector companies that may have difficulties to pay the salary of their employees and has further issued an ordinance which creates certain derogations from the general labour law through the duration of the Covid-19 crisis. These include: 1. A prohibition to terminate an employee's employment during this period for a cause other than a gross misconduct of the employee. Instead the employer has to liaise with the employees’ representatives in order to find alternative solutions such as reduction of work hours, shift work, anticipated annual leave, change of position and part time work. 2. The salary paid to the employees in the event of changes to their contract cannot be less than 70% of their average net salary of the last 3 months.

SENEGAL (CONTINUED)

Central Bank recommends postponement of bank loan maturity dates. *Contact relevant Lawyer listed as contact*	In a letter dated 17 April 2020 to the President of the Association of banks, the Central Bank recommended to banks to postpone the maturity date of the loans consented to private sector employees (excluding those who have been paid their full salary) and individual companies for 3 months and to consider such credit in the healthy loans category. With respect to loan charges, banks are permitted to postpone capital and interest due at maturity and to stop the running of interest. The Association of Decentralized Financial Systems (APSFD) has accepted to postpone the maturity date of loans to their borrowers.

SOUTH AFRICA

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Department of Small Business Development introduces Business Growth/ Resilience Facility, Debt Relief Finance Scheme and SEFA Debt Restructuring Facility. *South Africa Government site*	The Department of Small Business Development has established a Debt Relief Finance Scheme and a Business Growth/Resilience Facility. The Debt Relief Finance Scheme will provide soft-loan funding for existing small businesses in distress due to Covid-19. The relief will be for a period of 6 months, from 1 April 2020. In an instance where SMMEs will require assistance for longer than 6 months, the term may be extended dependent on their needs. The Business Growth/Resilience Facility is targeted at SMMEs which locally manufacture or supply hygiene, medical and other products that are in demand in order to curb and manage the spread of the Covid-19 virus. Key to the qualifying criteria for the Business Growth/Resilience Facility and the Debt Finance Relief Finance Scheme is that the entities must be 100% South African owned, 70% of their employees must be South African, and the entities must be registered and be compliant with the requirements of the South African Revenue Service (SARS). The Small Enterprise Funding Agency (SEFA) Debt Restructuring Facility is geared towards existing SEFA-funded SMMEs that are negatively affected by the pandemic. A payment moratorium/holiday will be given to the qualifying SMMEs for a period of a maximum of 6 months, in efforts to reduce the instalment burden of loan obligations on the affected SMMEs. These SMMEs will be required to illustrate the direct linkage of their business distress to the pandemic.
IDC funding package to assist SMMEs in distress and those that can manufacture and supply goods required to curb COVID-19. *IDC website*	The Industrial Development Corporation (IDC), with the Department of Trade, Industry and Competition, has put a package together of more than ZAR3 billion for industrial funding: 1. To assist vulnerable firms; 2. To fast-track financing for companies critical to efforts to fight the virus and its economic impact (IDC Covid-19 Essential Supplies Intervention); 3. In the form of trade finance to import essential medical products; and 4. To finance working capital and equipment and machinery. Priority areas for IDC funding include: 1. ensuring food security by prioritising support to agriculture and food value chains; 2. tourism sector support for working capital; 3. bridging finance to support supply chain interruptions; 4. working capital to ensure energy security by supporting suppliers of primary energy; and 5. working capital and bridging finance to SMEs that provide components to car-makers. In addition, the IDC is engaging industry players to address surges in demand.

SOUTH AFRICA (CONTINUED)

Central Bank of South Africa to begin buying government bonds. *South African Reserve Bank press statement (25 March 2020)*	The Central Bank (South African Reserve Bank) announced that it will restructure its market liquidity management strategy, which will give some relief to banks and funding markets which have taken strain because of the global market crash due to Covid-19. It said it would begin buying an unspecified amount of government bonds as part of additional emergency policy measures aimed at easing a severe liquidity crunch triggered by the Covid-19.
Various sectoral funding relief measures, for example in the tourism sector and arts & culture. *Department of Tourism website* *National Film and Video Foundation website* *SANTACO relief fund Press article* *Youth Business Relief Fund* *Department for Agriculture, Land Reform and Rural Development website.*	A number of sectoral relief funding programmes have been established. For example, the Tourism Relief Fund, for businesses operating in the areas of accommodation, hospitality and related services, and travel and related services sectors. The Department of Sport, Arts and Culture and the National Film and Video Foundation have also established relief programmes for performing artists and practitioners, commissioned film/video producers and young or emerging producers. The South African National Taxi Council (SANTACO) have launched a ZAR3.5 billion Covid-19 relief fund. This fund will compensate workers in the industry. It aims to help 100,000 queue marshals, 150,000 taxi drivers, and the taxi associations' support staff whose livelihoods have been compromised by the Covid-19 pandemic. The Youth Business Relief Fund, an initiative of the Youth Chamber of Commerce and Industry South Africa, will assist youth entrepreneurs from operational costs, paying labour costs, and rental. There is also an Agricultural Disaster Support Fund for Smallholder and Communal Farmers, initiated by the Department of Agriculture, Forestry and Fisheries.
Solidarity Fund established to apply donated funds to critical interventions in the areas of prevention, detection, care and support in respect of Covid-19. *Solidarity Fund website*	The Solidarity Fund is a public private donations-based initiative which aims to take action to prevent the spread of Covid-19, detect and understand the magnitude of the disease, care for persons in hospital or needing medical care as a result of the virus, and support those whose lives have been disrupted by the pandemic. The Fund has been established as a vehicle through which individuals and organisations will be able to support these efforts through secure, tax-deductible donations. The activities of the Solidarity Fund are intended to complement state interventions and provide critical gap funding to accelerate the delivery of critical interventions benefiting the most vulnerable in South African society.

SOUTH AFRICA (CONTINUED)

Employee salary relief measures and compensation for occupational health and diseases. *Contact relevant Lawyer listed as contact*	If an employer temporarily shuts down its operations or part of its operations for a period of 3 months or less as a result of the Covid-19 pandemic, the employer will qualify for a temporary relief benefit. The employer must be registered with the Unemployment Insurance Fund (UIF) and must comply with the application procedure for the financial relief scheme. The temporary relief benefit provides for affected employees to qualify to receive salary benefits from the UIF during the temporary closure of the company. The salary to be taken into account in calculating the benefit will be capped at a maximum of ZAR17,712 per month per employee. Covid-19 has been classified as an occupationally-acquired disease under the Compensation for Occupational Injuries and Diseases Act, 1993. Therefore, employees who contract Covid-19 arising out of and in the course of their employment may claim compensation from the Compensation Fund.
Government introduces draft legislation in respect of tax relief measures. *Draft Disaster Management Tax Relief Bill, 2020* *Draft Disaster Management Tax Relief Administration Bill, 2020* *ITAC certificate issued in terms of Schedule 1(8) of the Value Added Tax Act, Rebate Item 412.11/00.00/01.00*	Draft legislation containing the tax relief measures described below has been released for public comment, with a proposed effective date of 1 April 2020. The existing Employment Tax Incentive (ETI) for qualifying taxpayers will be increased by an amount of up to ZAR 500 per month for the next four months in respect of private sector employees between the ages of 18 and 65, earning below ZAR6,500 per month. The South African Revenue Service will also increase the frequency of ETI reimbursements from biannually to monthly. Tax compliant businesses (companies, trusts and individuals) with gross income of less than ZAR50 million (which must not include more than 10% of income derived from interest, dividends, foreign dividends, fixed property rental and/or remuneration from an employer) and which were registered for tax by 1 March 2020 will be able to delay 20% of their employees tax liabilities and 35% of their provisional corporate income tax payments without penalties or interest. Any trust established for the sole purpose of disaster relief in respect of the Covid-19 pandemic is deemed to be a tax exempt entity as contemplated in sections 30 and 30C of the Income Tax Act (and must comply with the provisions of these sections). Donations to such entities will qualify for an income tax deduction for the donor in terms of section 18A of the Income Tax Act. It has also been specifically clarified that distributions from such entities will not be subject to employees tax. The importation of “essential goods” will be exempt from VAT and will qualify for a full rebate in respect of import duties, provided that correct procedure is followed.

TUNISIA

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Tunisian Central Bank reduces interest rate and allows ability to defer repayment of loans for certain companies. *Government of Tunisia site*	The Tunisian Central Bank has reduced the central interest rate by 100 basis points and allowed the possibility of deferring the repayment of loans of a number of companies for a period of 6 months at the initiative of the Professional Association of Tunisian Banks and Financial Institutions.
Government allocates TND1.5 billion in loans, guarantees and introduces measures to assist in covering interest repayments, allowing revaluations of properties in accounts and suspension of penalties accruing in public contracts. *Contact relevant Lawyer listed as contact*	The Government has made available a financial relief package to support companies affected, which includes making available, through the creation of investment funds: 1. TND300 Million to support SMEs; 2. TND500 Million in the form of a bank guarantee for bank loans taken out by companies in the tourism sector; 3. TND500 Million for companies which preserve employment; 4. TND100 Million for the buyout of companies active in strategic fields and facing difficulties; and 5. TND100 Million to finance the acquisition of equipment for hospitals and public health establishments. The state will also: 1. Cover the difference between the interest rate on investment loans and the average interest rate on the money market within the limit of 3 points for the benefit of SMEs; 2. Enable all companies to revalue built and unbuilt properties included in their financial statements in accordance with their actual values, while exempting the goodwill resulting from the revaluation provided that they do not dispose of them; and 3. In the case of companies which have concluded public contracts and whose performance has been suspended, exempt them from penalties for delay for a period of up to 6 months.
Government establishes 3 new investment funds. *Contact relevant Lawyer listed as contact*	There are 3 new investment funds, funded by the CDC under the Ministry of Finance: 1. An initial TND100 million first tranche (to form part of continued further tranches) for large companies to strengthen their capital and maintain employment; 2. TND100 million as a bridging fund for the takeover of existing investment funds in companies facing difficulties in strategic sectors, so that these funds can be used to finance other projects; and 3. TND100 million to facilitate the purchase of equipment for hospitals and public health institutions. There will also be the creation of a fund to support the cultural sector and help influential companies and projects in this field to deal with the difficulties encountered as a result of the cancellation of shows and cultural events.

TUNISIA (CONTINUED)

Government introduces various measures to allow restructuring of tax liabilities. *Contact relevant Lawyer listed as contact*	The following measures have been introduced to facilitate the restructuring of tax liabilities: 1. Postponement of the date for filing corporate tax returns until the end of May 2020, except for companies subject to the 35% corporate tax rate; 2. Increasing speed of VAT refunds; 3. Allowing affected companies to reschedule their tax debts for a period of up to 7 years; 4. Suspension of late payment penalties for non-payment of tax for a period of three months from April 1 to June 30, 2020; 5. Allowing affected companies to obtain, exceptionally, tax suspension certificates and other tax certificates instantly without producing the necessary documents, provided that they undertake to present them at a later date; 6. Companies active in the retail and wholesale sale of medicines are exempt from VAT; and 7. An amnesty on customs penalties, which allows industrial companies convicted of customs offences or against which customs reports have been drawn up before 20 March 2020, to pay only 10% of the amount of fees and taxes required. There has also be a strengthening of the role of the National and Regional Reconciliation Committees to assist the most affected businesses and a guidance and support unit created to assist the companies most affected and to work to preserve jobs and guarantee the rights of employees. The notion of "*business affected by the repercussions of the Corona pandemic*" will be defined by government decree after consultation with the representatives of the unit for monitoring and caring for businesses affected, working under the Presidency of the Government. As regards the tourism sector and all its stakeholders, including tourist establishments, category 1 travel agencies, tourist restaurants and craft businesses, as well as the transport sector, the cultural sector and the other sectors affected, a guarantee mechanism will be set up for new management, operating and maintenance credits that have been granted by banks until 31 December 2020. These credits are repayable over a period of 7 years, including two years of exemption. The amount of these new credits is set at TND500 million. There is an additional credit of TND300 million to support SMBs and the benefit from the privilege of the state taking over the difference between the interest rate on investment loans and the average interest rate on the money market within the limit of 3 points for the benefit of SMEs.

UGANDA

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Government and the Central Bank of Uganda put in place a series of measures to support businesses including 1) liquidity assistance to financial institutions to facilitate continued lending and restructuring; and 2) Purchasing of treasury bonds of certain microfinance and credit institutions. *President's Address* *International Monetary Fund Policy Responses to COVID-19*	The Ugandan Government has put in place a series of measures to support businesses including: 1. Seeking funds from the World Bank and the International Monetary Fund to support the healthcare sector; 2. An extension on the deadline for tax payments; 3. The Central Bank of Uganda (BOU) has committed to provide liquidity assistance to financial institutions on a need-basis for a period of 1 year; 4. Reduction of charges for mobile money transactions and other digital payment charges; 5. Reduction of the BOU Central Bank Rate (CBR) from 9% to 8%; 6. All Supervised Financial Institutions (SFIs) defer the payments of dividends and bonus for at least 90 days effective 20 March 2020 to ensure adequate capital buffers are maintained; 7. Provision of liquidity to commercial banks for a longer period through issuance of reverse Repurchase Agreements of up to 60 days at the CBR, with opportunity to roll over; 8. Purchase of treasury bonds held by Microfinance Deposit taking Institutions and Credit Institutions in order to ease their liquidity distress; and 9. Granting exceptional permission to SFIs to restructure loans of corporate and individual customers that have been affected by the pandemic, on a case by case basis, effective 1 April 2020.
Bank of Uganda issues guidelines on Credit Relief and Restructuring for a 12-month period, effective 1 April 2020. *Contact relevant Lawyer listed as contact*	On 14 April 2020, the BOU issued Guidelines on Credit Relief and Restructuring effective for a 12-month period, effective 1 April 2020. The Guidelines apply to credit facilities not classified as losses as at 31 March 2020. These measures include that: 1. Restructuring can only be done twice in the 12-month period with a further extension by SFI subject to BOU approval; 2. Payment of arrears as a pre-condition for restructuring is suspended; 3. Borrowers whose credit facilities are eligible for restructuring are only liable to pay the legal fees and stamp duty associated with the restructuring; 4. A restructuring arising from the direct or indirect effect of Covid-19 shall not be treated as an adverse change in the credit risk profile of the borrower and shall not be reported to the Credit Reference Bureau; 5. SFIs shall still be required to assess the potential ability of borrowers to pay, subject to any form of restructuring, in accordance with the usual policies and practices that apply to such assessments; 6. Borrowers shall request their SFIs for restructuring if they qualify; 7. SFIs that want to provide credit relief under the Guidelines must have in place policies for implantation of such reliefs; 8. SFIs have been given exceptional permission to provide repayment moratoriums to borrowers, who in the assessment of the SFIs, are or shall be negatively affected by the Covid-19 pandemic; and 9. Extension of new credit facilities by SFIs is encouraged, but SFIs must consider the economic and operational realities brought by the Covid-19 pandemic and the effects post it.

WEST AFRICAN MONETARY UNION

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Central Bank of Western African States announces a set of measures to sustain the economy of the West African Monetary Union including reorganisation of the timetable for issuing public securities on the regional financial market.

Notice in respect of Measures taken by BCEAO

Notice n°005-04-2020 on extension of deadlines

On 21 March 2020, the Central Bank of Western African States (BCEAO) also announced a set of measures to sustain the economy of the West African Monetary Union including reorganisation of the timetable for issuing public securities on the regional financial market.

The measures decided by the BCEAO are the following:

1. Increase the resources made available to banks to enable them to maintain and increase the financing of the economy;

2. Expand the range of mechanisms available to banks to access Central Bank refinancing;

3. Allocate XOF25 billion to the interest-subsidy fund of the West African Development Bank (BOAD) to allow the latter to grant an interest rate subsidy and increase the amount of concessional loans that it will grant to states for the financing of urgent investment and equipment costs in the fight against Covid-19;

4. Remind and sensitise banks to the use of resources available on the special window for refinancing credits granted to small and medium-sized enterprises or industries (SMEs/SMIs);

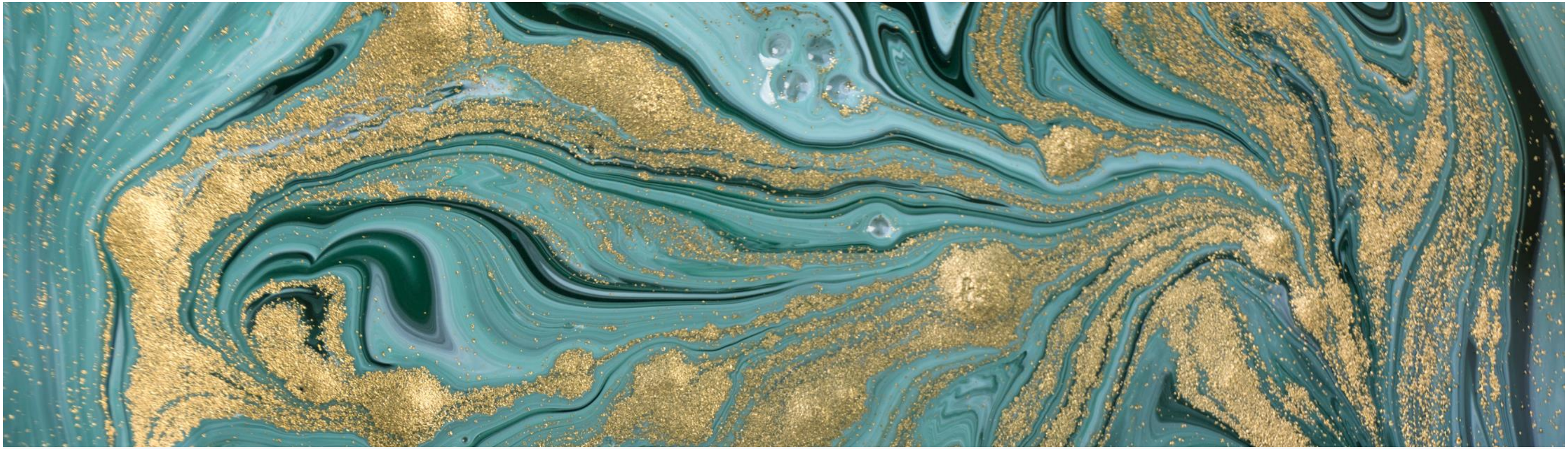
5. Set up a suitable framework to support companies affected by the consequences of the pandemic and who are encountering difficulties in repaying the credits which have been granted to them;

6. Ask banks to grant the appropriate extension of deadlines, in particular to SMEs/SMIs. In this regard, according to the Notice n°005-04-2020:
   - partner banks are invited to grant companies in difficulty, asking for it, a 3-month extension of deadlines, renewable once, without interests, fees or penalty; and
   - a monitoring and facilitation service has been implemented for companies that have failed to obtain an extension of their deadlines, aiming at accompanying them in consolidating dialogue with their bank; they can file their support request to the following email address: soutien-entreprisesCI@bceao.int;

7. Negotiate with electronic money issuing companies to reduce transaction costs and encourage people to make greater use of digital means of payment;

8. Supplying banks with banknotes in sufficient quantity and quality to enable them to ensure satisfactory operation of ATMs; and

9. Organise, if necessary, the reorganisation of the timetable for issuing public securities on the regional financial market.



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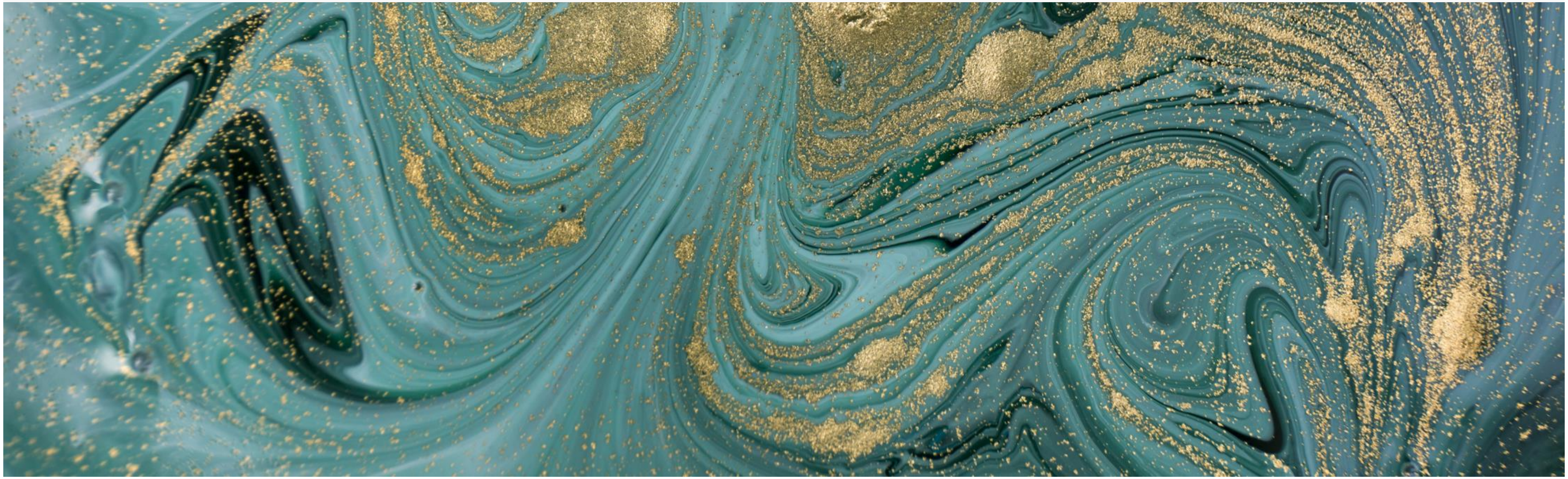


CLIFFORD CHANCE CONTACTS

For questions relating to Covid-19 measures mentioned herein, please feel free to reach out to:

Africa Leadership Group

ANTHONY GIUSTINI
PARTNER
Paris

T +33 1 4405 5926
M +33 607273120
E anthony.giustini@cliffordchance.com

MUSTAPHA MOURAHIB
MANAGING PARTNER
Casablanca

T +212 5 2000 8610
M +212 645099320
E mustapha.mourahib@cliffordchance.com

EDMUND BOYO
PARTNER
Dubai

T +971 4503 2614
M +971 504577931
E edmund.boyo@cliffordchance.com

JENNIFER MBALUTO
PARTNER
London

T +44 207006 2932
M +44 7939056442
E jennifer.mbaluto@cliffordchance.com

Regional Contacts:

Morocco and Francophone (North):

MUSTAPHA MOURAHIB
MANAGING PARTNER
Casablanca

T +212 5 2000 8610
M +212 645099320
E mustapha.mourahib@cliffordchance.com

AYSH AHMED CHAUDHRY
ASSOCIATE
Casablanca

T + 212 520 008 618
M + 212 661 215 781
E aysh.chaudhry@cliffordchance.com

Egypt and Arabophone (North):

MOHAMED HAMRA-KROUHA
PARTNER
Abu Dhabi

T +971 2 613 2370
M +971 504504801
E mohamed.hamra-krouha@cliffordchance.com

JASON MENDENS
PARTNER
Dubai

T +971 2 613 2467
M +971 566762199
E jason.mendens@cliffordchance.com

Côte d'Ivoire and sub-Saharan Francophone:

DELPHINE SIINO COURTIN
PARTNER
Paris

T +33 1 4405 5236
M +33 688882921
E delphine.siinocourtin@cliffordchance.com

ALHASSANE BARRY
COUNSEL
Dubai

T +971 4503 2743
M +971 566804760
E alhassane.barry@cliffordchance.com

Kenya and East Africa:

NICHOLAS HUGHES
PARTNER
London

T +44 207006 4621
M +44 7973231616
E nicholas.hughes@cliffordchance.com

JENNIFER MBALUTO
PARTNER
London

T +44 207006 2932
M +44 7939056442
E jennifer.mbaluto@cliffordchance.com

CLIFFORD CHANCE CONTACTS
(CONTINUED)

Nigeria and Anglophone (West):

OLAMIDE OLADOSU
DIRECTOR
London

T +44 207006 2016
M +44 7970223538
E olamide.oladosu@cliffordchance.com

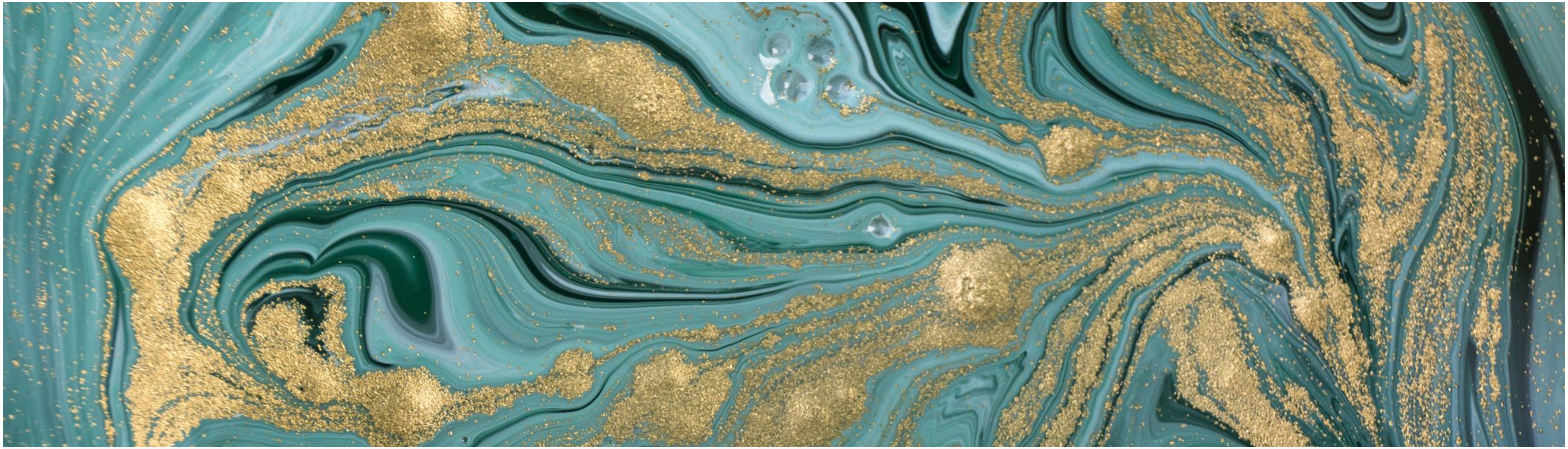
KAYODE OLADIPO
SENIOR ASSOCIATE
London

T +44 207006 4401
M +44 7966821497
E kayode.oladipo@cliffordchance.com

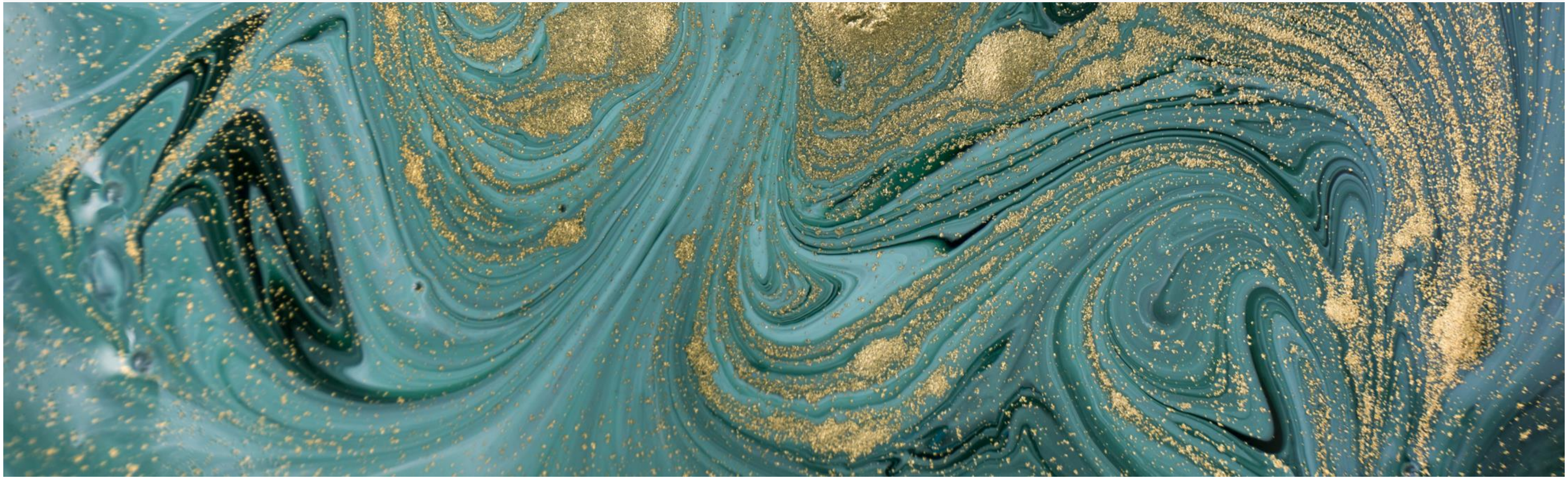
South Africa and Southern Africa:

JEREMY CONNICK
PARTNER
London

T +44 207006 4237
M +44 7919880895
E jeremy.connick@cliffordchance.com



AFRICAN LAW FIRMS CONTACTS



AFRICAN LAW FIRM CONTACTS

We regularly work with a range of counsel across Africa, and have worked with the following lawyers in the production of this guide:

Algeria
FOUED BOURABIAT
Bourabiat Associés

T +213 775 388 597
M +213 660 790 822
E f.bourabiat@bourabiatassocies.com

Cameroon
PAUL JING
JING & Partners

T +237 233 433 671
M +237 233 421 708
E pjing@jingpartners.com

Côte d'Ivoire and West African Monetary Union
TANNEGUY D'HONINCTHUN
Cabinet Jean-François Chauveau

T +225 20 25 25 73
M +225 20 25 25 80
E t.dhonincthun@jfchauveau.com

Egypt
MAHMOUD BASSIOUNY
Matouk Bassiouny & Hennawy

T +202 2796 2042 (ext.103)
M +202 2795 4221
E mahmoud.bassiouny@matoukbassiouny.com

Kenya, Ethiopia and Uganda
KARIM ANJARWALLA
Anjarwalla & Khanna (A&K)

T +254 (0) 20 364 0000
M +254 (0) 703 032 000
E ksa@africalegalnetwork.com

Senegal and West African Monetary Union
MAMADOU MBAYE
Mame Adama Gueye & Associés
T +221 33 849 2800
E mmbaye@avocats-maga.sn

Nigeria
WOLEMI ESAN
Olaniwun Ajayi

T + 234 1 270 2551
E Wesan@olaniwunajayi.net

South Africa
PIPPA REYBURN
ENSafrica

T + 27 11 269 7600
M +27 83 680 2064
E preyburn@ensafrica.com

Tunisia
AYOUB KNANI
Meziou Knani & Khlif

T +216 70 015 087
M +216 71 844 564
E Ayoub.Knani@MeziouKnani.com

C L I F F O R D

C H A N C E

Clifford Chance, 10 Upper Bank Street, London, E14 5JJ

WWW.CLIFFORDCHANCE.COM