

The situation in Montenegro due Covid-19 is serious and it is changing from day to day. The Trade Unions request from the Government and employers protection of workers' right in this difficult time. Prime Minister announced that meeting with representative national Trade Union confederations would be held shortly and Trade Unions will present concrete requests that will go in direction of preserving of jobs and wages. As it was announced by the Government any reducing of wages would be the last option.

The Government announced enacting of set of economic measures aiming at addressing expected negative impact of Covid – 19 on both companies and citizens during session held on Thursday 19 March 2020. They are yet to share details on expected start of application of economic measures. Most of the announced measures are yet to be published in the Montenegrin Official Gazette. Here, we highlight the following most significant measures:

- Deferral of repayment of loans to commercial banks, micro-credit institutions and Investment Development Fund (IFD) up to 90 days (90 day moratorium) granted on the basis of borrower's request. This measure applies to both corporate and individual borrowers and relates to payment of loan principal, interest and fees as well as late payment interest. This measure was published in the Montenegrin Official Gazette as of 19 March 2020 and starts to apply as of 20 March 2020;
- Deferral of payment of personal income tax and mandatory social security contributions and other tax liabilities in line with the Law on Rescheduling of Tax Receivables.
- 90 days deferral in payment of rental fees for state owned properties. Ban on initiation of public procurement processes except those needed for operating of the healthcare system. Advance payments for works relating to existing capital projects are to be secured by bank guaranties for the full amount of advance payment. Measure is aimed at ensuring liquidity needed for continuity of planned works.
- The last three measures are yet to be published in the Montenegrin Official Gazette and no details currently available..

In addition to these measures, Montenegrin Tax authorities published on its website on March 17, 2020, the decision to extend the deadline for filling of statutory financial statements and corporate income tax returns from 31 March 2020 to April 15, 2020. It is important to note that the decision to extend the statutory deadline relates solely to the filing of financial statements and corporate tax returns, but not to the payment of corporate income tax liability.

At this point Montenegro did not introduce state of emergency due to Covid-19 outbreak.

The Investment Development Fund (IFD) started on 26 March with new loan line as a part of direct support to companies. They called it "surviving mode loan line" and since March 26 the companies can apply for this favorable loans (1,5% interest rate, grace period 2 years, repayment period up to 8 years). Priority is given to procurement of medicines, medical equipment and ambulance, then production and procurement of food and hygiene products.

Further, there are entrepreneurs, small and micro enterprises that are directly endangered. The loan for this group is aimed for payment of wages for their employees for the next three months. It is important to note that the loan for this group will be paid via banks directly on workers' accounts.

Also, the medium and big enterprises will be supported through this line.

The total amount of assets is about 130 mil euro out of which 80 million is provided from through the re-distribution of money, which the IFD has in this year's financial plan, while the rest should be provided from international resources.