

MAY 21<sup>st</sup>, 2020

## COVID 19 ADAPTAR PROGRAM

### FINANCIAL SUPPORT TO THE ADAPTATION TO SAFETY NORMS IN MICRO AND PME'S

On the 15<sup>th</sup> of May of 2020 came into force the Decree-Law n.º 20-G/2020 of the 14<sup>th</sup> of May, which establishes a system of incentives to the adequacy of the business activity in the context of the COVID-19 disease - ADAPTAR Program.

#### IN WHAT CONSISTS THE ADAPTAR PROGRAM?

This Program aims to aid companies with their adaptation and investment costs, in order to ensure that their work and organization methods as well as their relationships with clients and suppliers are conducted in accordance with the necessary safety rules, in the context of the COVID-19 pandemic disease.

The Program aids with costs related to the acquisition of individual protection equipment, for both workers and customers, sanitation equipment, as well as with the reorganization costs of the workplaces and changes to the premises of the establishments.

The government supports Micro, Small and Medium companies with:

- 80% of the value of the costs of adaptation, as grant assistance, for **Microcompanies**;
- 50% of the value of the costs, as grant assistance, for **Small and Medium Companies**.

Support is granted through an application for expenses considered eligible, and **only one application per company is accepted**.

#### WHO MAY BENEFIT FROM THIS PROGRAM?

Every Micro, or Small and Medium companies which do not act in the following sectors:

- Fishing and aquaculture;
- Primary agricultural production and Forests;
- Transformation and commercialization of agricultural products;
- Finance and Insurance;
- Defense;
- Lottery and gambling

## MICROCOMPANIES

Requirements regarding the Company:

- Date of Incorporation prior to March the 1st, 2020;
- Employ less than 10 people and to have an annual turnover or total annual balance not exceeding 2 million euros;
- Have organized accounting;
- Being in compliance with its Social Security the Tax Authority obligations.

Requirements regarding the investment:

- Having a cost between €500.00 e €5,000.00;
- Not being covered by other state program which covers the same expenses;
- Having a maximum duration of 6 months from the notification of approval;
- Covering only one, or several of the following items:
  - (i) Costs with installation and/or acquisition of individual protection and sanitation equipment for a period of 6 months (Masks, gloves, visors, disinfectants dispensers and respective consumables etc.);
  - (ii) Employing disinfection services of the facilities for a period of 6 months;
  - (iii) Acquisition and installation of automatic payment terminals, including contactless, as well as the costs with employing said service for a period of 6 months);
  - (iv) Initial costs with the domiciliation of applications, adhesion to electronic platforms, subscription of applications, creation and initial publication of electronic contents and inclusion and cataloguing in search engines;
  - (v) Reorganization and adaptation costs with the workplaces and the layout of spaces in accordance with safety orientations (ex. installation of partitions, isolation of spaces and counters, installation of automatic doors, installation of sensor-activated illumination, interior and exterior signalization for the workplaces, etc.);
  - (vi) Acquisition and installation of other control devices and of physical distancing;
  - (vii) Costs with accountants and auditors related to the validation of expenses
- Not referring to:
  - (i) The acquisition of used goods;
  - (ii) Recoverable VAT;
  - (iii) Services provided for by the company for itself.

## **SME'S (SMALL AND MEDIUM ENTERPRISES)**

Requirements regarding the Company:

- Date of Incorporation prior to March the 1st, 2020;
- Employ less than 250 people and to have an annual turnover not above 50 million euros or a total annual balance not above 43 million euros;
- Have organized accounting;
- Being in compliance with its Social Security the Tax Authority obligations;
- Have the IAPMEI electronic certification;
- Declare that it is not a company which is subject to an outstanding recovery order following a previous decision by the Commission which has declared a grant to be illegal and incompatible with the internal market;
- Not being in one of the following situations:
  - (i) Existing for three or more years, and to have had more than half of its subscribed share capital disappear due to accumulated losses;
  - (ii) Being in an insolvency proceeding or fulfilling the criteria for an insolvency proceeding be submitted at the request of its creditors;
  - (iii) Have received an emergency aid and have not repaid the loan or terminated the guarantee or have received restructuring aid and are still subject to a restructuring plan.

Requirements regarding the investment:

- Investment between € 5,000.00 and € 40,000.00;
- Not have started at the application submission date;
- Not being covered by other state program which covers the same expenses;
- To have a maximum duration of 6 months from the notification of approval;
- To cover only the following costs:
  - (i) Costs with the reorganization and adaptation of the workplaces, as well as space layouts, to the safety, sanitation and distancing guidelines;
  - (ii) Costs with the acquisition and installment of information for both the workers and public, including vertical and horizontal signalization, in the interior and the exterior of the establishments;
  - (iii) Costs with the acquisition and installation of hygiene equipment and automatic disinfectant dispensers;

- (iv) Costs with the acquisition and installation of automatic payment terminals, including contactless;
- (v) Costs with the acquisition and installation of other controlling and physical distancing devices;
- (vi) Initial costs with the domiciliation of applications, adhesion to electronic platforms, subscription of applications, creation and initial publication of electronic contents and inclusion and cataloguing in search engines;
- (vii) Costs with the employment of disinfection services of the facilities for a period of 6 months;
- (viii) Expenses regarding the acquisition of specialized consulting services for the adaptation of the business model to the new challenges under the context of Covid-19;
- (ix) Costs with accountants and auditors related to the validation of expenses
- Not referring to:
  - (i) Acquisition of used goods;
  - (ii) Recoverable VAT
  - (iii) Services provided for by the company for itself.

If the project is approved, the SMEs will also be bound to other supervisory, report and project execution duties, for the entire duration of the project.

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**PARES | Advogados** is available to provide information on this and other subjects, suiting the information to the reality of each client, and being able to support its clients in any applications for the mentioned projects.

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