

## Real Estate: Legislative response to COVID-19

### Commercial leases: Restrictions on termination

<b>Who is eligible?</b>	Tenants whose operation was affected by the extraordinary measures adopted in relation to the COVID-19 pandemic
<b>How does it work? Are rent or service charges actually reduced?</b>	No. But landlords may not terminate leases merely due to late payment of rent falling due between 12 March and 30 June 2020
<b>What is the final deadline for the deferred payments?</b>	31 December 2020
<b>Does the law suspend also other contractual obligations?</b>	No. Service charges are still payable. Also, other obligations remain unaffected, including obligations to pay late interest and penalties
<b>Can a landlord utilize rental security?</b>	In general, yes
<b>Can parties deviate from the new law?</b>	Yes, but not to the detriment of the tenant
<b>Are VAT and income tax obligations also suspended?</b>	The law does not address tax issues
<b>What are the downsides and loopholes of the new law?</b>	<ul style="list-style-type: none"> <li>&gt; Possibility to terminate due to violation of other obligations linked to delayed payment of rent</li> <li>&gt; Judicial issues resulting from general slowness of Czech courts which may be overburdened</li> </ul>

### Loan moratorium (commercial loans)

<b>Who is eligible?</b>	Borrowers of loans utilized or (subject to further conditions) entered into prior to 26 March 2020 whose operation was affected by COVID-19 pandemic
<b>How does it work?</b>	Borrowers have to apply for a moratorium which extends the due date of the debts ("opt-in"). Lenders have to respond within 30 days
<b>How long does the moratorium last?</b>	Until 31 October 2020. An earlier deadline of 31 July 2020 must be explicitly applied for by the borrower
<b>Does the moratorium apply to both principal and interest?</b>	Just the principal. The borrower has to continue paying the interest

### Insolvency moratorium

<b>How does it work?</b>	Until 31 August 2020, debtors may apply for a specific insolvency moratorium, which can be further extended by another 3 months
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