

COMMERCIAL LEASES COVID-19 PROGRAMME

On May 18, 2020, the Czech government approved a new COVID-19 programme to support retail lessees who had to close their premises (such as shops) to the public due to COVID-19 governmental measures.

The Government, via the Ministry of Industry and Commerce, **shall pay 50% of the rent for April to June under the condition that the landlord provides a discount of 30 percent of the rent.** The remaining 20 percent of the rent remains to be paid by the lessee itself. There is no legal obligation for landlords to accept any discount, though.

The limit of state contribution to the rent shall be CZK 10 million.

The overall budget for this measure is CZK 5 billion.

The Ministry of Industry and Commerce shall provide detailed methodology, as only the above general information has been made publicly available so far. For instance, it is not clear if all retail leases will be subject to support for the entire Q2 (whereas some shops could have opened in the meantime); if the limit is related to one lease contract or to one lessee; if the contribution will be paid to the lessee or directly to the landlord, etc.

We will continue monitoring the situation and will inform you once the methodology is published.

* * *

The document reflects the status as of May 19, 2020.

This document is for informational purposes only and may not be considered a legal opinion or advice on how to proceed in a particular case.