



## Anti-Crisis Shield - real estate and construction process

### Definitions:

- the regulation of the Council of Ministers of March 31, 2020 on establishment of specified restrictions, injunctions, and prohibitions in relation to state of epidemic (the „Regulation”)
- the Act of March 31<sup>st</sup>, 2020, amending the Act on the establishment of the on specific solutions related with the prevention, response and fighting against COVID-19, other infectious diseases, as well as crisis situations caused by them, and some other Acts (Journal of Laws of 2020, item 568) (the “Bill”).

## Administrative proceedings relating to carrying out construction works in connection with COVID-19

### ➤➤ Exclusion of the application of laws for construction related to counteracting COVID-19

The provisions of the construction law, the law on planning and spatial development and the law on protection and care of monuments do not apply to the design, construction, reconstruction, refurbishment, maintenance or demolition of buildings, including changes in use, in connection with the counteraction of COVID-19 (Article 12.1 of the Bill).

### ➤➤ Carrying out construction works in connection with the counteraction of COVID-19

In relation to the conduct of construction works covered by the exclusion, **it is necessary to immediately notify the architectural and construction administration authority** of the type, scope and manner of performance of the construction works and the date of their commencement, including if such matters occurred before the date of entry into force of the law. With respect to construction works posing a risk to human life or health, **the architectural and construction administration authority shall determine the requirements concerning necessary safety measures** for their conduct. Moreover, if a building permit is required, the investor is obliged to provide for the **management and supervision of these works** by a person with appropriate competences (Article 12 and Article 31d of the Bill).

### ➤➤ Change of use of a construction facility or a part of it in relation to COVID-19 counteraction

In the event of a change of the manner of use of a construction facility or a part of it in connection with COVID-19 counteraction, **it is necessary to notify the architectural and construction administration authority of the current and intended manner of use**, including if such matters occurred before the 31 March 2020 (Article 12 and Article 31d of the Bill).

### ➤➤ Suspension and halting of the commencement of procedural and judicial deadlines

During a state of threat of an epidemic or a state of epidemic, **the time for calculating procedural and judicial deadlines shall not commence and, if such time has started running, it shall be suspended**, among other things, in the following cases:

- court proceedings, including court-administrative proceedings, and

- administrative proceedings.

These rules apply to proceedings for issuing decisions necessary in the investment process, such as environmental decisions, decisions on development conditions and decisions on building and occupancy permits (Article 15 of the Bill).

### ➤➤ **Transferring the performance of public administration activities due to incapacity during an epidemic**

If, during a period of a state of epidemic threat or a state of epidemic, a public administration authority or another entity performing public tasks (except for the head offices and central public authorities becomes incapable of performing its tasks in whole or in part, **the voivode may entrust the performance of its tasks to another public administration authority or entity performing public tasks that meets the statutory criteria**. The authority entrusted with the performance of the tasks shall perform them at the expense of the authority incapable of performing them. (Article 15zzy of the Bill).

## Taxes and fees

### ➤➤ **Perpetual usufruct**

**The annual fee for perpetual usufruct and the fee for the transformation of perpetual usufruct into property rights due for 2020 shall be paid by 30 June 2020.** However, the deadline for payment of the annual perpetual usufruct fee may be extended. (Article 15j of the Bill and Article 53 of the law on transformation of the right of perpetual usufruct of developed land for residential purposes into the right of ownership of such land)

### ➤➤ **Exemptions from property taxes**

**A municipal council may introduce for part of 2020 exemptions from property tax on land**, buildings and structures related to business activity, for the benefit of specified groups of entrepreneurs who have suffered negative economic consequences due to COVID-19. On the basis of a relevant resolution, **a municipal council may also extend the deadlines for payments of individual instalments of property tax**, but not beyond 30 September 2020. (Articles 15 p and 15q of the Bill).

### ➤➤ **Relief in respect of payments resulting from the law on property management**

The monetary receivables due to the State Treasury for letting a property for rent, lease or usufruct that fall within the period of a state of epidemic threat or a state of epidemic, may **be remitted in whole or in part or their repayment may be deferred or rescheduled in instalments by the district governor or the mayor of the city with district rights**. At the request of an entity that has suffered negative economic consequences due to COVID-19, the designated authorities may also waive the recovery of such receivables. (Article 15zzze of the Bill)

## Lease agreements

### Partial lifting of the Sunday trade ban

During a state of epidemic threat or a state of epidemic and within 30 days following its revocation, **the ban on Sunday trade** and trade-related activities, as well as the ban on entrusting an employee or hired person to perform work on Sundays in trade or trade-related activities, **shall not apply with regard to performing trade-related activities consisting of unloading, receiving or displaying essential goods** and entrusting an employee or a hired person to perform such activities. However, the exemption **shall not apply to Sundays on which a holiday falls** (Article 15i of the Bill).

### Temporary expiry of the obligations of parties to agreements in commercial facilities with a sales area exceeding 2000 m<sup>2</sup>

During the period of the ban on operating in commercial facilities with a sales area exceeding 2000 m<sup>2</sup>, **the mutual obligations of the parties to a rental, lease or other similar agreement under which the commercial area is put to use, shall expire**. Within 3 months from the date of lifting of the ban, a person entitled to use the commercial space should submit an unconditional and binding **offer of will to the provider of the access to extend the duration of the agreement under the existing terms and conditions by the length of the period of the ban extended by six months**. If the offer is not submitted within such period, after its expiry, the provider is not bound by a decision on the expiration of the parties' obligations, which means that such provider may claim payment of the outstanding amounts from the person entitled to use the commercial space (Article 15ze of the Bill).

### Extension of lease periods until 30 June 2020

For lease agreements in respect of premises concluded before the date of entry into force of this law, the duration of which expires after that date and before 30 June 2020, **the agreement shall be extended until 30 June 2020**. The agreement shall be **extended on the terms and conditions previously applied, on the basis of the tenant's declaration of will submitted to the landlord at the latest on the originally intended date of expiry of the agreement**. This rule shall not apply in the event of the tenant's delay in payment of contractual payments for at least one settlement period or any other breach of the agreement. An analogous regulation applies to some apartment lease agreements (Articles 31s and 31u of the Bill).

### Limited possibilities to terminate an agreement of lease or increase the amount of rent until 30 June 2020

**In the period until 30 June 2020, a landlord may not terminate an agreement of lease or increase the amount of rent**. However, the regulation will not be applied, among other things, in the event of violation by the tenant of the provisions of the lease agreement or legal regulations concerning the manner of using the premises, or the necessity to demolish or renovate the building in which the premises are located (Article 31t of the Bill).