

NEWSLETTER – MARCH 30, 2020

We trust you are staying safe in this dire period.

You may have heard of the Emergency Economic Stimulus Bill 2020 (Bill) proposed and passed by the House of Representatives in the wake of the continued spread of the Covid-19 virus and the actual and anticipated impact of same on the economies of nations, including Nigeria.

We hereby provide you with a summary of the Bill.

1. Objectives of the Bill

The objectives of the Bill are to:

- 1.1. provide temporary relief to companies and individuals to alleviate the adverse financial consequences of a slowdown in economic activities brought on by the outbreak of Covid-19
- 1.2. protect the employment status of Nigerians who might otherwise become unemployed as a consequence of management decision to retrench personnel in response to the prevailing economic realities
- 1.3. provide for a moratorium on mortgage obligations for individuals at a time of widespread economic uncertainty
- 1.4. eliminate additional fiscal bottleneck and ease financial burden on the importation and access to medical equipment, medicines, personal protection equipment and other medical necessities required to combat Covid-19
- 1.5. cater for the general financial wellbeing of Nigerians pending the eradication of Covid-19 and a return to economic stability.

2. Reliefs

If passed, the following reliefs shall apply:

2.1. Income Tax Rebate on Pay As You Earn (PAYE)

Any business entity, other than companies regulated by the Petroleum Profits Tax Act, that maintains the same staff strength from March 1, 2020 till December 31, 2020 (excluding cases of death or voluntary resignation of the employee) shall be entitled to 50% income tax rebate on the total of the actual amount due or paid as PAYE.

2.2. Deferral of Mortgage Payments under the National Housing Fund

All payment obligations on residential mortgages obtained by individual contributors to the National Housing Fund will be deferred for an initial period of 180 days commencing from March 1, 2020.

2.3. Import Duty Waiver on Medicine and Medical Goods

Import duty will be completely waived on all medical equipment, medicines, personal protection equipment and such medical necessities (as may be specified by the Minister of

Health) required for the treatment and management of Covid-19 from March 1, 2020 till December 31, 2020.

In all cases, the President has the discretion to extend the period of the reliefs and waivers granted.

3. Conclusion

Whilst it is not our intention at this time to evaluate whether the stipulated objectives of the Bill would be realized in light of the reliefs sought to be provided by the passage of this Bill, it suffices to state that the Bill if passed into law, will ease the financial burden already been felt, due to the Covid -19 Pandemic.

We wish you continued good health.

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