



TASEKIRJAILIJAT RY

## Corona relief for companies

### HOW TO OVERCOME THE FINANCIAL CHALLENGES CAUSED BY THE CORONAVIRUS

Experts estimate that the coronavirus will have significant effects on the Finnish economy. The first blows have already been felt in the tourism sector and in the form of cancelled events. The multiplier impacts will only begin to emerge over the coming days, weeks and months.

Various quarters of society are preparing supportive measures and looking for solutions to maintain the solvency of companies. When threatened with financial difficulties, it is crucial that the company itself is active in contacting their financiers and banks.

**There are various instances that provide up-to-date information on the situation.**

#### Links:

<https://www.yrittajat.fi/yrittajat/kaikki-koronasta-yrittajalle>

A frequently updated information package for entrepreneurs provided by the Federation of Finnish Enterprises

<https://www.kela.fi/korona>

Information on how the situation impacts KELA's services, application processes and benefits

<https://hyvatyo.ttl.fi/koronavirusohjeistus>

Instructions for workplaces on how to prevent the spreading of the coronavirus epidemic

<https://thl.fi/fi/>

Press releases, recommendations and regulations issued by the Finnish health authorities



## Where can I get help?

In addition to the big picture, accounting firms have also been involved in thinking about concrete practical measures to facilitate the cash management of small entrepreneurs. Loss of customers and cancelled events and reservations have left many entrepreneurs in a situation where all instructions and guidance are worth more than gold.

## HERE ARE SOME TIPS THAT WE HAVE COLLECTED:

### Advance taxes

Check your situation regarding advance taxes. If your expected results have changed significantly, seek a change to your advance taxes. This change will be immediately apparent in your monthly expenses.

If you are falling behind on your tax payments, make a payment plan for them. If you are unsure, seek a long term of payment. React and be active. Do not allow the situation to worsen.

### Funding

Do you have loans? Negotiate a grace period for your loan payments with your financing institution. Seeking additional funding might also be an option. Finnvera, among other instances, has been preparing for the situation. An account with an overdraft facility is also an option when the need for funding is small and it is unclear if the need ever materialises. Contact your bank or financing institution in good time.

Do you engage in B-to-B business? Invoice factoring might be a major help for your business in this situation. Contact companies that provide invoice factoring services and see if it is a possible solution for your company.



## **Grace period for the entrepreneur's personal loan instalments**

Contact your bank and discuss the possibility of a grace period for your personal loan payments. As an example, Nordea has already announced that they will be offering a free-of-charge grace period of 6 months to all personal customer and a free grace period of 3 months to small and medium enterprises.

## **Temporary dismissals**

Do you have employees? You should issue a notice concerning temporary dismissals as soon as it begins to look like the amount of work is dwindling. Dismissing an employee temporarily is permissible on financial or production-related grounds, i.e., if the amount of work is significantly and permanently reduced and you cannot offer the employee any alternative work. Employees may be dismissed until further notice.

The notice regarding temporary dismissal must be issued 14 days before the possible dismissal is to take place. You should therefore issue the notice too soon rather than too late. You do not have to go through with the dismissal even if you issue the notice.

## **Insurance payments**

Go through your insurance payments and see if they could be divided into separate instalments. You may also temporarily reduce your self-employed persons' pension insurance payments (YEL insurance). Please note that in addition to your accumulated pension, this reduction also affects the benefits bound to your YEL insurance payments, such as daily sickness allowances and infection allowances. The housing allowance for entrepreneurs is granted based on YEL payments. See if you are eligible to receive this benefit.



## Stock

Keep your stocks small. If you have made orders that haven't arrived yet, see if you could still change them. Try to receive advance payment on products that are ordered from you.

Does your cost structure contain other expenses that could be quickly reduced? Look into this and ask your accounting firm for advice when necessary. Negotiate extensions and transfers to instalments and due dates.

## Where can I find cashflow without customers?

Is your business suitable for gift cards? Think about different campaigns that could boost your business. Sell into the future now to immediately reinforce your cashflow.

Can you conduct your work directly at the homes of your customers or could you sell your services/products with home delivery? Can you focus on take-away sales?

## Keep people informed

Even if you have clear hygienic practices in effect at your company, make sure that your customers also know this. If you are ramping up your efforts in this area, communicate it to others. Are you going to limit the number of simultaneous customers in your premises? How are you keeping your equipment/surfaces clean? How have you changed your operations so that hygiene is taken into account as the situation requires?

## Look for contacts, network with others and challenge your business with new ideas.

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