



COVID-19 NewsBrief – 9 April 2020

As we reach the end of another week of lockdown, we thought it appropriate to review the week's events and how they may affect you and your business.

As events and assistance packages continue to evolve we will be posting more comprehensive items of news on our website www.ecoviskga.co.nz under the heading of COVID-19 at the top of the homepage.

Here is the week that was, in summary.

Hot off the Press

In today's 1 pm press briefing the PM articulated that the latest statistics show that the lockdown is working. At the outset, our early stage projections were that the situation here could have been as dire as it became in Italy. However, by implementing stage 4 so quickly and decisively, things could have been so much worse.

Today, with only 29 new cases, the rate of recovery has exceeded the rate of new infection. Give yourselves a pat on the back New Zealand.

The PM went on to say that stage 4 will remain in place until 22 April but on 20 April Cabinet will meet to determine what the next step will be.

Tighter border controls were mentioned; with all returning citizens and residents having to go into mandatory monitored isolation in a government-approved facility. We simply cannot afford for those returning from overseas to submit to voluntary and self-monitored isolation; the risks of a second wave of overseas travel-related infection are just too high.

The PM went on to say she recognised the economic hardship that the lockdown has caused but we do not think anyone can argue that we did not follow the right course, given the spectacular results in containing the virus shown to date. Businesses have suffered as have many households but the alternative of a sick nation clogging the health system would have been so much more serious.

Changes to the Companies Act

New changes, albeit temporary, were introduced. We have issued a detailed newsflash on these and in case you missed it [find out more here](#).

The changes cover a debt hibernation scheme, a safe harbour for directors from reckless trading consequences and some administrative matters around relaxing of deadlines for filing with the Registrar.

Again, the finer points have not yet been defined but we will keep you abreast of developments as they occur.

We have already seen a few indications of companies seeking to avail themselves of the debt hibernation scheme and if you are contacted by one of your debtors seeking to implement it, we recommend that you get in touch with us right away. We fear that the proposed system could be abused by some and will require monitoring to ensure it is applied appropriately.

Wage Subsidy Scheme

Since the amendment to the wage subsidy scheme on Friday 27 March (covered in our news-brief for last week) there have been no material changes. We are still seeing some uncertainty around how the subsidy works in specific situations so if you have any queries around your own business, the applicability of the scheme and how to administer it please do reach out. We issued a newsflash about employment matters earlier this week and in case you missed that you can [find out more here](#)

Holiday Pay for Statutory Holidays

The position, as we understand it, is that if you are paying your staff – with or without the use of the subsidy – you need to pay them for the time they would have worked on Good Friday, Easter Monday and Anzac day (assuming we are still in lockdown on 25 April) at the rate you have been paying them up to the statutory holiday. You can [find out more here](#)

Business Finance Guarantee Scheme

To date the finer points have not yet been released and we expect that different banks will have different criteria. We suggest you contact your own bank for their criteria but you can [find out more here](#).

Commercial Rents

This remains a vexatious issue and even though the Minister of Finance has indicated some measures will be forthcoming there has been nothing from government as yet. In Australia the government response to this issue has been to ask both landlords and tenants to work collaboratively to achieve sensible outcomes. At this time that is the best suggestion that we can make too. If you have any doubts or queries, you know how to reach us.

Tax Measures

No new tax measures were introduced this week and we again refer you to the IRD's dedicated web page for COVID-19 matters [find out more here](#).

At Ecovis KGA we're privileged to have a team of experts with in-depth knowledge to assist with many of the challenges which businesses are facing right now. Please remember the firm is fully operational and we are here to help in any way we can - we are just a phone call or email away.

This publication is not designed to provide legal or other advice and you should not take, or refrain from taking, action based solely on its content without first discussing matters with us.