



## **Recovery:** Deadlines for claiming compensation for damages incurred in connection with the crisis measures adopted are approaching

Crisis measures taken during the state of emergency have affected all economic and social sectors. Restaurants, hotels, automotive industry, and social event organisers were the most affected. Businesses that have suffered damage as a result of the crisis measures are entitled to compensation. If this situation also applies to your business, you need to consider two key factors regarding your decision to make a claim. The first is **the obligation to act with due managerial care** when deciding whether to claim damages. The second factor is **the preclusive period** to which the claim is linked and which start to run as early as mid-September 2020.

### **Do you know how to claim compensation correctly?**

Remember: the compensation claim must be made within six months of the day the injured party became aware of the damage. The first deadlines related to government measures against the coronavirus pandemic will expire on 14 September.

# Conditions for claiming compensation

## **The basic legal regulation, which establishes the conditions for claiming compensation, is the so-called crisis law.**

It regulates the obligation of the state to compensate for damages that arose in casual connection with the adoption and implementation of crisis measures. This is a strictly objective responsibility of the state anticipated by law.

## **Any business which has been affected by state emergency measures is entitled to financial compensation for the damage caused.**

Companies claiming this compensation must prove their claim in the prescribed manner and prove or otherwise demonstrate the damage. Compensation shall be decided by the crisis authority on the basis of the application submitted. If the authority does not grant the request or grants it in part, it is necessary to turn to the court for the rest of the claim and to claim the compensation by legal action.

## **If the company records damage, it is obliged to claim it within the prescribed**

## **period and in the prescribed form.**

Management of the company is obliged to act always in the interest of the company, which is expressed in the obligation to act with due managerial care. The company is not obliged to claim such compensation only if the associated risks of failure or costs prevail over the potential profit of its recovery. Thus, responsible management should always consider, with the support of its advisors, whether and in what form to settle this claim, so that the company does not incur any harm.

## **The claim must be lodged with the competent authority within six months of the time the injured party became aware of the damage.**

In the case of crisis measures taken following the pandemic, the first deadlines for making the claim will expire on 14 September 2020. The injured party may claim monetary compensation for damages in kind as well as lost profits. The claim is free of charge; the court fee is linked only to the possible subsequent seeking the satisfaction of the claim in court.

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# How can we help you?

To make an effective claim, it is necessary, in our experience, to combine legal advisory, financial services related to the valuation and calculation of the claim, as well as related tax and accounting services. If you want to apply for financial compensation for damage caused by the coronavirus crisis and are not sure how to proceed properly, do not hesitate and contact us! We will be happy to guide you through the process.

## **Deloitte Legal services related to the assessment and assertion of the claim**

- Legal assessment of the claim in the form of a memorandum with a recommendation for further steps;
- Assistance in quantifying the claim for compensation (calculation of damages and lost profits);
- Evaluation of the client's position of proof and preparation of other evidence;
- Preparation of related corporate decisions and documentation for proving due diligence;
- Preparation of the application to make a claim for compensation;
- Representation in proceedings related to claims for compensation;

- Possible drafting of an action for damages and representation in legal proceedings.

## **Damage calculation with the support of Deloitte experts for an effective claim**

- Assistance in calculating claims for compensation or lost profits;
- Verification of the calculation of the damage incurred by an expert opinion or another appropriate form;
- Advisory on an ad hoc basis provided to the client's internal team to confirm the client's calculation.

## **Deloitte's tax and accounting advisory related to claims for compensation**

- Assistance from both tax and accounting perspectives in connection with the recording of the damage incurred in the company's books;
- Advisory regarding all tax aspects related to the claim for compensation to be taken into account;
- Assistance in discussion with the company's auditors during the audit of the financial statements;
- Ad hoc consultations with internal tax and accounting experts.