



Reacting proactively to current developments: Legal aspects to be considered

Short-term measures

Follow relevant developments

Legislative and executive bodies are trying to mitigate the consequences of the Pandemic with a variety of measures, in Germany, in other countries and at European level. In this respect, businesses should

- effectively track innovations and changes, and
- regularly adapt action plans.

Employment law

To ensure liquidity and business continuity, the following measures, among others, should be examined in the short term:

- Introduction of contingency plans to maintain operations,
- Limitation/termination of the use of external personnel,
- (gradual) introduction of short-time working, taking into account the need for greater flexibility and expansion,
- Examination of possible compensation claims, e.g. according to the Infection Protection Act.

Corporate/Financing

In order to avoid measures by creditors, businesses should

- review existing credit agreements for termination rights, notification obligations,

financial covenants, deferral possibilities, holiday periods, etc,

- observe interactions with other agreements and measures,
- initiate discussions with financiers.

Commercial law

In order to provide a clear picture of the current legal situation and to develop a strategy for dealing with supplier relationships, etc., the following measures can be recommended:

- Risk allocation-related review of contractual relationships including MAC, frustration of contract, etc.,
- review of the applicability of force majeure clauses or principles,
- consideration of new legal regulations, for example for rental contracts,
- examination of possibilities to retain/refuse payments,
- examination of restrictions under foreign trade law.

Grants and subsidies

In order to ensure solvency, the following should be implemented in a timely manner:

- examination of possibilities to receive grants and subsidies,
- initiation of discussions with the responsible authorities and/or house banks,

- preparation of the necessary documents (liquidity planning, credit requirements, corporate planning, scenarios),
- ensuring that interaction with other areas of law (insolvency law, financing, tenancies, deferrals) is taken into account,
- preparation and submission of the necessary applications.

Insolvency Law

In order to ensure compliance with the relevant legal provisions and avoid personal liability, businesses should see to it that

- the relevant status be carefully determined (liquidity planning, over-indebtedness status),
- legislative changes to the obligations to file for insolvency and the requirements be taken into account,
- legal requirements for payments (Sections 64 GmbHG, 92 II AktG and similar) and any changes thereto be implemented and complied with.

Wir unterstützen Sie gerne:



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