

COVID-19 Pandemic – New amendment to affect leases

On 25 April 2020 Act No. 92/2020 Coll., which amends Act No. 62/2020 Coll., on certain extraordinary measures in relation to spread of the dangerous infectious human disease COVID-19 and in the judiciary and amending certain other acts, was published in the Collection of Laws of the Slovak Republic (the "**Amendment**"). The purpose of the Amendment is, among other matters, to regulate the ban on unilaterally terminating real estate leases by the lessor. In relation to this ban, the Amendment entered into force on the day of its promulgation, i.e. on 25 April 2020.

Under the Amendment, lessors are prohibited from unilaterally terminating real estate leases (including residential and commercial premises), if the lessee (an individual or legal entity) is in default with payment of rent, including payments of operating costs generally connected with the lease, which come due between 1 April 2020 and 30 June 2020, provided that the lessee's delay arose due to circumstances originating from the spread of COVID-19.

The ban generally applies to all contractual relations whose subject is the lease of real estate and is valid until 31 December 2020. The Amendment does not apply to other reasons for terminating a lease. It further requires the lessee to "sufficiently certify" that the delay is caused by circumstances related to the pandemic; however, it does not specify more in detail what is considered as sufficient certification.

While the Amendment provides certain protections to lessees, it does not take away the lessor's right to payment of due rent or other claims arising from the lessee's liability for delay (such as default interest, contractual penalties, etc.).

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We are continuing to monitor the situation, and it cannot be excluded that the above will be subject to changes, depending on the legislative development. We will be happy to assist you to resolve new issues and to create favourable conditions for your business under the current situation.

If you have any questions, please do not hesitate to contact us using the contact details in the letterhead or contact directly the partner of PRK Partners' Bratislava branch, Miriam Galandová (email: miriam.galandova@prkpartners.com, tel.: +421 911 492 222).

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