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**THE IMPACT OF THE COVID-19 PANDEMIC ON SMALL AND
MEDIUM-SIZED BUSINESSES**

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Annotation: This article aims to analyze important features of the impact of the coronavirus pandemic on small and medium enterprises in Russia. The main topic becomes the discussion of the problems faced by small and medium-sized businesses in the context of coronavirus infection. We will consider how these problems have been addressed by businesses and the government. We will also discuss state support measures for entrepreneurs during the epidemic. Keywords: small and medium-sized business, pandemic, taxpayer, government, support, wage

Small and medium-sized enterprises are experiencing significant operational problems, associated with a number of difficulties that need to be addressed. These can be divided into three groups:

1. Organizational - related to legal arrangements and registration;
2. Material - related to the growth and expansion of the enterprise;
3. Lack of professionalism of staff and staffing problems;
4. Financial problems associated with the difficult search for funding, legalizing capital and finding a clientele.

It was small and medium-sized businesses that took the brunt of the economic impact during the pandemic. Small shop owners were in a very difficult situation. Due to the lockdown, there were fewer and fewer customers each day, which had a significant impact on the financial situation of individual shopkeepers. The main problems for small and medium-sized businesses during the COVID-19 pandemic were a lack of customers, material resources, money and high taxation.

The state is interested in the development of small and medium-sized businesses and supports them through tax incentives, priority access to public procurement, etc. At present, it actively supports entrepreneurship by providing

incentives, facilitating loans, allocating subsidies and providing comprehensive support.

In mid-2020, the state decided to provide emergency support to small businesses. A law was passed that the cost of masks and PCR tests will be taken into account when calculating income tax. When determining the income tax base for small and medium-sized companies, the subsidies that they will receive from the state budget will not be taken into account. For SMEs, inspections of their organizations have been suspended until the end of 2020. There has also been a deferral of bankruptcy proceedings. This saved jobs and businesses as the coronavirus pandemic affected their financial situation.

On 29 October 2020, the President of the Russian Federation proposed an extension until 2021 for scheduled inspections of small businesses; it was also proposed to extend by three months the deferral of tax and insurance contribution inspections for affected businesses during the COVID-19 epidemic. In September 2021, Prime Minister Mikhail Mishustin signed a decree extending the moratorium for SMEs until 2022.

In the current economic situation, a Commission was established whose main task was to help small and medium-sized businesses during the pandemic. Together with business representatives, the Commission discussed pressing problems. On October 12, 2021, the Committee on Small and Medium-Sized Business was formed in the State Duma. The main task of the Committee was the legislative provision of development and support for small and medium-sized businesses, as well as the creation of comfortable conditions for the opening and development of new businesses.

From 1 August 2021, restrictions were imposed on businesses due to the too rapid development of the infection. In order to receive support, the entrepreneur had to apply through the taxpayer's personal account. For every fortnight of downtime, the amount of compensation was equal to half of the minimum wage.

From 15 July to 15 August, it was possible to apply for COVID-19 subsidies through the taxpayer's personal account. The conditions for receiving the subsidy

were that there were no tax and insurance arrears. Also important was the fact that the business was in the field of hospitality, catering, consumer services, sports, additional education and socially-oriented commercial organizations.

Self-employed people have not been spared in these difficult times either. Tax costs have been reduced for their organizations and all the costs of the purchase of special equipment related to assets for the treatment and diagnosis of infections have been classified as operating expenditure. It should be noted, however, that these assets have been donated to healthcare institutions, state and municipal bodies and state and local authorities. Loan arrears and interest accrued on employment support loans have not been included in taxable income. For the non-employer IEs most severely affected by the coronavirus pandemic, a flat-rate pension insurance premium has been set for 2020.

In 2020, a tax capital of 12,130 roubles (1 minimum wage) was allocated to self-employed citizens by order of the President of the Russian Federation. The capital could only be used for payment of new income and for repayment of debts on it.

In addition to the existing problems of small and medium-sized businesses, such as rising rental costs, restrictions on the export of raw materials and equipment, non-compliance with contractual terms, reduced wages, fewer employees and reduced consumer demand, there are also those that have developed during the epidemic. These enterprises are vulnerable to threats from allied criminal gangs, information leakages and pressure from unscrupulous officials.

SMEs are more flexible than other businesses because they have a smaller coverage of both territory and population. In order to equalize the economic situation in this area, the following methods should be applied

:- the possibility of online orders (sales) or online attendance at meetings, appointments, etc...

A good example of how to promote small or medium-sized businesses during a pandemic is the rapid development of grocery and restaurant deliveries. It is much safer for people ordering food via the Internet during a lockdown than to

take the enormous risk of walking into a shop on the street where a deadly virus is 'out there'.

- cost-cutting and cost-cutting.

This point should be calculated for each business individually. Regulating sales and adapting to current conditions can help small and medium-sized businesses not to find themselves in an economic crisis.

The aim of SMEs today is to recover production losses and keep the bar high in the economic market. The immediate challenge for SMEs is to develop internet marketing and develop a new business plan to take account of the transition to online sales.

At a meeting on 28 April, Russian President Vladimir Putin instructed to develop and adopt "another package of support measures for the economy and citizens". Until 1 October 2020, small and medium-sized companies operating in the Russian economy that have been most severely affected by the coronavirus have been given the opportunity to terminate their lease contracts early without compensation for loss of profit. Small and medium-sized businesses will also have the right to defer redemption payments for six months to one year if they acquire state or municipal property.

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