

ECONOMIC STABILISATION PROGRAMME COVID-19 OF THE GOVERNMENT OF LUXEMBOURG (25/03/2020)

4 OBJECTIVES

- Meeting immediate cash flow needs
- Dealing with treasury difficulties
- Facilitating business loans through state support
- Maintaining employment

8 NEW MEASURES

- Non-refundable financial support
- Capital grant as an advance payment
- Extension granted by certain banks for the reimbursement of existing loans
- State guarantee scheme for new bank loans to SMEs and large enterprises for a maximum duration of up to 6 years
- Flexible conditions for the repayment conditions for loans and credits from the National Society for Credit and Investment (SNCI)
- "Guarantees* for SMEs" in collaboration with the banks active in the financing of enterprises
- 5-year financing for the SME mutuality and the mutual guarantee
- "Special Anti-crisis Financing - FSAC" through the company's bank and the SNCI

* Subjected to the regulator's approval.

Economic stabilisation program Covid-19

- **Meeting immediate cash flow needs**

Non-refundable financial support

- Objective: To grant direct aid of 5,000 euros to companies ≤ of 9 employees, who are obliged to suspend their activity in accordance with the amended regulation of 18th March 2020.
- Institution: Directorate-General for the Middle Classes.
- Beneficiaries: Micro enterprises

Capital grant in the form of an advance payment

- Objective: To provide financial assistance of up to EUR 500 000 in the form of a reimbursable advance payment to cover operating costs.
- Institutions: Directorate-General for the Middle Classes and the Ministry of Economy.
- Beneficiaries: the industrial and commercial sector: self-employed workers, SMEs, large companies.

Extension granted by certain banks for the reimbursement of existing loans

- Objective: To defer reimbursement of loans in order to better cope with liquidity problems.
- Institutions: The Ministry of Finance and various financial institutions.
- Beneficiaries: Self-employed workers, SMEs and large companies.

Relaxation of repayment conditions for SNCI loans and credits

- Objective: Suspension of repayment of capital due on 31st March and 30th June for direct and indirect loans.
- Institution: National Society for Credit and Investment (SNCI).
- Beneficiaries: SMEs and large companies.

Early refund of VAT

- Objective: To meet cash flow needs through an early refund of VAT credit balances below 10.000 euros.
- Institutions: Administration of the Registry, Territories and VAT (AED).
- Beneficiaries: Self-employed workers and SMEs.

Payment of an advancement of benefits for extraordinary family matters

- Objective: To advance the part of the wage reimbursement that employers must continue to pay to the parents involved.
- Institutions: Joint Social Security Centre (CCSS), Employees' Mutual Insurance Association, National Health Fund (CNS).
- Beneficiaries: Micro enterprises (including employers in their own name for their employees), SMEs and large enterprises.

- **Facilitating bank financing**

State guarantee scheme for new bank loans to SMEs and large enterprises for a maximum duration of 6 years

- Objective: To guarantee new bank credit lines for which the State will provide a guarantee of up to 85%, for a total amount of 2,500 million euros.
- Institutions: The Ministry of Finance and the Ministry of Economy.
- Beneficiaries: SMEs and large companies.

"Special Anti-crisis Financing - FSAC" through the company's bank and the SNCI

- Objective: To cover the financing needs in relation to the current crisis through indirect loans between 12,500 and 16 million euros.
- Institutions: The company's banks together with the National Society of Credit and Investment (SNCI).
- Beneficiaries: SMEs and large companies.

5-year financing for the SME mutuality and the mutual guarantee

- Objective: To enable the mutuality's of the professional associations to extend the guarantees foreseen for SMEs
- Institution: National Society of Credit and Investment (SNCI).
- Beneficiaries: SMEs.

"Guarantees* for SMEs" in collaboration with banks active in the financing of enterprises

- Objective: To provide SMEs with guarantees to obtain new operating capital lines from banks
- Institution: National Society of Credit and Investment (SNCI).
- Beneficiaries: SMEs.

- **Maintaining employment**

Partial unemployment in cases of force majeure

- Objective: To avoid redundancies through the payment by the State of 80% of wages as a compensation, through an accelerated procedure that will enable the payment of advancements.
- Institutions: Ministry of Economy, Agency for the Development of Employment (ADEM).
- Beneficiaries: Employees, SMEs, large companies and non-profit associations.

- **Promotion of teleworking**

Imposing teleworking for employees on the Belgian and French borders

- Objective: To allow frontier workers to work during the crisis from their homes without being taxed in their home country.
- Institutions: Direct Contribution Administration (CDA).
- Beneficiaries: Self-employed workers, SMEs and large companies.

- **Distribution of the payments related to tax deadlines to satisfy liquidity needs**

Cancellation of the advancements of taxes for the first two quarters of 2020

- Objective: To grant requests for cancellation of tax advancements for the first 2 quarters of 2020. These are income tax (from the communities) and municipal business taxes.
- Institutions: Administration of Direct Contributions (CDA).
- Beneficiaries: Self-employed workers, SMEs and large companies.

4-month extension for the payment of the tax instalments

- Objective: To provide direct deferment of payment (without interest) of income tax, municipal business tax and property tax.
- Institutions: Administration of Direct Contributions (CDA)-
- Beneficiaries: Self-employed workers, SMEs and large companies.

Deferment of the presentation of tax reports

- Objective: To set the deadline for the submission of tax reports for legal and physical persons at 30th June 2020.
- Institutions: Administration of Direct Contributions (CDA).
- Beneficiaries: Self-employed workers, SMEs, large companies and physical persons.

Advancing the deadline for submitting VAT reports

- Objective: To renounce to administrative sanctions in the event that the deadline for submitting VAT, TABO, inheritance declarations and notarial and judicial records are exceeded.
- Institutions: Administration of the Registry, the Territories and VAT (AED).
- Beneficiaries: Self-employed workers, SMEs and large enterprises.

- **Benefit from administrative flexibility in social security contributions**

Greater flexibility in the payment of social security contributions

- Objective: To provide flexibility in cash flow management and the payment of social security contributions.
- Institution: Joint Social Security Centre (JSSCC).
- Beneficiaries: Self-employed workers, micro enterprises, SMEs and large enterprises.

- **Benefit from export aid measures to support exporting companies**

Strengthening measures to support exportations and international development

- Objective: To increase aid to companies exporting and prospecting internationally, including the markets affected by the coronavirus.
- Institutions: Office du Ducroire (ODL).
- Beneficiaries: Certain independent professions, micro enterprises, SMEs and large companies.

- **Legal protection for the company in trouble**

Suspension of the obligation to make a declaration of cessation of payments leading to bankruptcy

- Objective: To exempt the company from the obligation to file for bankruptcy due to insufficient liquidity.
- Institution: Ministry of Justice.
- Beneficiaries: Traders and commercial enterprises.

Suspension of enforcement of forced evictions ordered for residential rents, as well as those ordered for commercial rents

- Objectives: To protect tenants during the crisis period from an immediate execution of the forced eviction.
- Institution: Ministry of Justice.
- Beneficiaries: All tenants under a commercial lease.

- **Supporting the cultural sector**

Measures to support independent professional artists and temporary workers in the entertainment and cultural sector

- Objective: To grant additional social measures, to guarantee subsidies for cancelled projects and to guarantee part-time work for employees in this sector.
- Institution: Ministry of Culture.
- Beneficiaries: Self-employed professional artists, temporary artists and employees in the cultural sector.

For more detailed information please check this [page](#).