

Economic and social measures for companies taken in Belgium due to Covid-19

Because of the exceptional circumstances that the COVID-19 has been causing in Belgium, the federal government has been taking a list of measures to try to prevent the spread of the disease, which is having an enormous impact on the country's economy. Therefore, during the Council of Ministers on March 6th, 2020, the Belgian government approved a series of grants and modifications to support companies that are affected by the consequences of Covid-19. To these measures were added other recommendations from the Economic Risk Management Group (ERMG) and discussions with the G10, which were approved by the Council of Ministers on March 20th.

Below are the main measures that have been taken:

Temporary unemployment

The temporary unemployment regime becomes automatic, reinforced and extended, and the distinction between the regime due to force majeure or for economic reasons is also nullified. The employer is exempt from justifying the use of temporary unemployment, while the reference rate goes from 65 to 70% of wages for workers.

Simplifying procedures for employers

The employer has no longer to report the temporary unemployment of a worker to the corresponding unemployment office and it is allowed to reconvert a claim for temporary unemployment for economic reasons to one of force majeure without further formalities.

Until June 30th 2020, the employer will be exempt of some procedures in the submission of documentation to its workers in temporary unemployment.

Simplifying procedures for workers

A simplified form has been set up to request aids to the competent agency

Until June 30th 2020, all workers in temporary unemployment can be benefit from the corresponding aid. For this reason, until this date, temporary unemployed workers will receive 70% of their salary and additionally they will receive € 5.63 per day of temporary unemployment; These amounts will have a retention of 26.75%. On the other hand, the days that the employee spends under this temporary unemployment regime are quoted as days worked for access to holidays.

Payment plan for employers' social security contributions.

Exemption of payment of social security contributions for the first two quarters of 2020.

Payment plan for TVA

VAT payment is deferred until May 20th for February declarations and until June 20th for March declarations. For first-quarter returns, the deferral is set until June 20, 2020.

Payment plan for Tax Withholding

It will be possible to distribute the payments related to tax withholding and benefit from an exemption from the usual fines.

Payment plan for Individual income tax and corporation tax

It will be possible to request a deferment of payments for personal and corporate tax. In addition, an automatic two-month extension is established for the payment of delays on income tax.

Payment of local taxes

The federal government urges the competent governments to freeze certain municipal taxes.

Reduction of advance payments on own account

Reduced contributions could be requested if your income is lower.

Flexibility in the execution of federal public contracts

The federal state will not apply sanctions to suppliers, companies and self-employed of all federal public contracts.

Companies are recommended to establish telework. When this is not possible, the “social distancing” rules must be strictly applied within the company.

Regional measures

Brussels Region:

Region of Brussels: The Government of the Brussels Capital Region has also decided to take economic and social measures to support the most affected sectors:

- A single bonus of € 4,000 per company, who has mandatory closed after the decisions adopted by the National Security Council and which are part of the following sectors
 - Restaurants
 - Accommodations
 - Activities of travel agencies, tour operators, booking services and related activities.
 - Recreational and sport activities
 - Retail stores, except for food stores (including night stores), pet food stores, pharmacies, kiosks, gas stations and fuel providers.
 - A single bonus of 2.000€ to hairdressers
- Suspension of payment of the municipal tax by the Brussels region during the first half of 2020.
- Concession of public guarantees, through the Brussels Guarantee Fund, about bank loans, for a total of 20 million euros.
- Possibility of a reduced rate loan to suppliers in the HORECA sector.
- Moratorium on the capital refund of the loans granted by Finance & invest.brussels.
- In the transportation sector, the exemption from the tax on the operation of taxis or cars with driver during 2020.
- Social economy integration companies will be able to benefit from all the measures implemented to support the economy of Brussels to face the Covid-19 crisis.
- Regarding external trade, hub.brussels is responsible of monitor the impact of Covid-19 on the Brussels economy and in particular on high-risk sectors.

Wallonia Region: The regional government has decided to freeze corporate taxes in proportion to the number of days closed. A working group specifically dedicated to the economic challenges induced by the coronavirus has been also created, which includes the Ministers of Health and the Public Service, the SPW Economy-Employment-Research, Awex, Sogepa, Sowalfin, Sriw and unions among others.

Flanders Region: Participatiemaatschappij Vlaanderen has provided a crisis guarantee of € 100 million for transition loans for existing debts to guarantee one thousand loans of € 100,000. A bonus will be granted to companies and self-employed workers affected by anti-coronavirus measures. This bonus, which is now available to all companies that are forced to close, is being extended to horticulturists.

For more information you can visit this [website](#).