

Measures to support companies in Luxembourg affected by Covid-19

The Luxembourg Government approved on March 17th and 18th a list of measures to help to mitigate the economic impact of the Covid-19 crisis.

The Ministry of the Economy is implementing several initiatives to ease the financial, economic and social consequences. The main objective of these grants is to relieve the financial and liquidity needs of companies and self-employed workers that are strongly affected by the current economic restrictions:

- Companies and the self-employed workers who face liquidity problems may request the cancellation of the quarterly payments that they must face during the first two quarters of 2020. This measure covers the income tax (local authorities) and the municipal business tax.
- They can also request a four-month payment period for taxes due after February 29th, 2020. This payment period will not incur in late-payment interest for the income tax (for local authorities), the municipal business tax and the wealth tax.
- In terms of indirect taxes, the Registry, Domains and VAT Administration will reimburse this week all VAT credit balances lower than 10,000 euros.
- The “partial unemployment” regime will be automatically granted for companies that had to close totally or partially because of the governmental decisions as from the date of effect of these measures.
- The granting of the "partial unemployment" regime due to “force majeure” will be more flexible, as the government assumes up to 80% of the wage costs associated with a partial stoppage of business activity. This measure also extends to the different job placements and training contracts.

The administration will automatically accept requests for cancellation of advances and payment periods. In addition, the Government has extended the deadline submit for tax returns to June 30th, 2020. This decision is applicable to legal entities and individuals, as well as to taxpayers who wish to request, modify or revoke their choice of individual taxes.

The Government has decided to strength the support for companies affected by the financial consequences associated with the coronavirus by extending these measures to large companies and the liberal professions, who can apply for direct aid as soon as they are approved by the parliament.

On the other hand, cross-border workers must have a specific certificate completed by their employer certifying the employment relationship in order to cross the border controls.

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