



The EU's & select Member States' Response Measures to COVID-19

April 8, 2020

Overview support measures provided by EU and select EU Member States

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European Union

Initial response measures

Travel ban

- 17 March: EU closed its outer border for non-EU travelers for 30 days.
- Temporary suspension of the airport slot requirements to stop air carriers from operating empty flights during the pandemic.

Guidelines

- European Commission (EC) published guidelines to ensure EU passenger rights are applied in a coherent manner across the EU.
- EC & the European Union Aviation Safety Agency (EASA) have published a Safety Information Bulletin
 - o promotional material
 - o non-legally binding recommendations
 - o advice for preparedness and response to the COVID-19 outbreak
- 26 March: European Union Aviation Safety Agency (EASA) published a Guidance on management of crew members in relation to COVID-1. The guidance provides details in regard to the measures recommended for operators and crew members operating in high risk areas.
- 31 March: EASA published an updated list of airports located in affected areas with high risk of transmission of the COVID-19 infection. The list covers EU+ countries as well as countries outside of Europe.

Temporary suspension of the airport slot requirements

- Background: An airport slot is the right of an aircraft to take off or land at a congested airport at a certain time of day. Under the EU Airport Slots Regulation (EEC 95/93), airlines are subject to a 'use it or lose it' rule, and are required to operate 80% of their allocated slots, or face losing their right to the slot in future seasons.
- i.e. waive the 'use it or lose it' rule until 24 October 2020 to help air carriers cope with the sharp drop in demand caused by the coronavirus outbreak and the measures to contain it.
- This will stop air carriers from operating empty flights during the pandemic.
- the waiver will apply from 1 March to 24 October 2020
- It will also apply retroactively from 23 January to 29 February 2020 for flights between the EU and China or Hong Kong.
- Possible extension of situation persists



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- Next steps: This amendment was approved by the European Parliament (EP) and the Council of the EU on 26 March.

Support for Air Cargo Operations

- 19 March: Major worldwide business organisations published a statement calling on governments to work together to keep the global air cargo networks and the critically important goods they contain moving during the COVID-19 crisis.
- The EC published a communication calling on EU Member States to support air cargo operations during the coronavirus crisis. The communication recommends operational and organisational steps to keep essential transport flows moving, including medical supplies and personnel.
 - o Recommendations for Member States include granting temporary traffic rights for additional cargo operations from outside the EU, including, where legally possible, temporary traffic rights for additional air cargo operations, even when conducted with passenger aircraft.
 - o Member States are advised to temporarily remove night curfews and/or slot restrictions at airports for essential air cargo operations, and to facilitate the use of passenger aircraft for cargo-only operations.
 - o Aircrew flying the aircraft should be exempted from travel restrictions if they do not show symptoms, etc.
- Adina Vălean, Commissioner for Transport, commented: "*Air cargo amounts to approximately 35% of world trade by value and is a key part of freight transport. It keeps global supply chains functioning for many of the most high-value materials and it is a critical complement to the transport of freight by land and sea. We are providing concrete measures to keep such services running, including on passenger planes. Time-sensitive products, such as medicines, need to be flown. The guidelines adopted today have also recommendations on removing or showing flexibility in night curfews or slot restrictions at airports, and also special measures for air cargo personnel.*"

Financial Aid

- 19 March: The EC's Temporary Framework for State aid measures has been setup to support the economy in the current COVID19 outbreak.
 - o EC approved, under the State aid Temporary Framework, a number of state aid schemes set up by the French, Danish, German and Portuguese governments in the context of the



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- Coronavirus outbreak. MSs can compensate companies for the damage directly caused by exceptional occurrences, including measures in sectors such as aviation.
- 30-31 March: EC approved, under the State aid Temporary Framework , an additional number of schemes as notified by Denmark , Estonia , Ireland , France and Poland aimed at supporting the economy in the context of the COVID-19 outbreak
 - 3 April: the European Commission approved, under the State aid Temporary Framework , an additional number of schemes as notified by Greece , Poland , The Netherlands , Portugal and the United Kingdom aimed at supporting the economy in the context of the COVID-19 outbreak.
 - 26 March: EU activated the general escape clause in the Stability and Growth Pact, to adopt a Temporary state aid Framework for increased flexibility.
 - Investment initiative worth €37 billion and widening the scope of the EU Solidarity Fund by up to €800 million so that EU countries can draw from it in case of a public health emergency like the COVID-19 outbreak.
 - The European Parliament (EP) approved amending the EU Solidarity Fund regulation. The fund was initially set to assist countries affected by natural disasters but from now on, member states and countries in the EU accession process will be able to request support in case of public health crises like the coronavirus pandemic. Member states facing an outbreak will have access to the financial aid of up to €800 million in 2020.
 - The 'Coronavirus Response Investment Initiative', under cohesion policy, will mobilise funds within the existing EU budget to promote investments in the sectors affected by the crisis in the short and long term (labour market, in the healthcare sector or, for example, in other businesses that need support).
 - Member states receive cash as pre-financing for cohesion policy projects, which eventually has to be returned to the EU budget if it is not used. The Commission calculates that countries would have to return around €8 billion from 2019.
 - The new regulation would allow using that money. Together with €29 billion in EU co-financing, this would mobilise a total of €37 billion worth of investment across the bloc.
 - European Central Bank (ECB) with the support from the EC, has been taking resolute action to ensure supportive financing conditions in all euro area countries.
 - 18 March: ECB's Governing Council announced a new Pandemic Emergency Purchase Program with an envelope of €750 billion in bond purchases to calm down sovereign debt markets until the end of the year, in addition to the €120 billion decided on 12 March.



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Together this amounts to 7.3% of euro area GDP. The program is temporary and designed to address the unprecedented situation our monetary union is facing.

- European Investment Bank (EIB) has been mobilising resources for bank guarantees and investment in European companies, particularly small and medium-sized enterprises, including through the use of the EU budget. On 16 March, EIB announced it would mobilise EUR 40 billion to fight crisis caused by Covid-19 and called on Member States to set up a further guarantee for SME and mid-cap support from EIB Group and national promotional banks.
- 3 April, ahead of the discussion by the Eurogroup, the Board of Directors of the European Investment Bank (EIB) discussed the creation of a €25 billion guarantee fund to enable the EIB Group to scale up its support for companies in all 27 EU Member States by an additional up to €200 billion.
- 6 April: The European Commission announced that it has unlocked €1 billion from the European Fund for Strategic Investments (EFSI) that will serve as a guarantee to the European Investment Fund (EIF), part of the European Investment Bank Group. It is noted that this would allow the EIF to issue special guarantees to incentivise banks and other lenders to provide liquidity to at least 100,000 European SMEs and small mid-cap companies hit by the economic impact of the coronavirus pandemic, for an estimated available financing of €8 billion.

Short Time Work Scheme

- 2 April: The European Commission presented SURE, a Europe-support short-time work scheme with a budget of €100bn including Member States' guarantees of €25bn. SURE means "Support to mitigate Unemployment Risks in an Emergency" and is a EU solidarity instrument supporting the member states during the coronavirus pandemic in avoiding mass lay-offs, helping workers keep their incomes and helping businesses stay afloat. Commission President von der Leyen said : "Firms will be able to temporarily reduce the hours of employees or suspend work altogether, with income support provided by the State for the hours not worked. The self-employed will receive income replacement for the current emergency."

COVID-19 EXIT

- **Von der Leyen to announce new post-virus economic 'stimulus package'** – To ensure recovery the EC will propose changes in the multi-annual financial framework (MFF, the European Union's long-term budget) that will allow to address the fallout of the coronavirus



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crisis. Last month, EU leaders failed to reach agreement on an extension to the upcoming seven-year budget plan (2021 to 2027).

- **To Jump-start the European Economy, the EU will require a coordinated exit strategy, a comprehensive recovery plan and unprecedented investment.**
- **The Eurogroup has been tasked by the European Council to present proposals by 14th April 2020. .**

More Guidelines

Furthermore, **EC issued guidelines on FDI screening mechanism:**

- Aim: screening of foreign investments likely to affect the security and public order of the Union and its Member States.
- EC calls upon Member States that already have an existing screening mechanism in place to **make full use of tools available to them under EU and national law to prevent capital flows from non-EU countries that could undermine Europe's security or public order.**
- EC also calls on the **remaining Member States to set up a fully-fledged screening mechanism** and in the meantime to consider all options, in compliance with EU law and international obligations, to **address potential cases where the acquisition or control by a foreign investor of a particular business, infrastructure or technology would create a risk to security or public order in the EU.**
- 1 April: EC published a **guidance document for a common approach to secure the continuation of waste shipments across the EU** in the exceptional circumstances created by the coronavirus outbreak. Focused on road transport.



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France

EC approved schemes to fight COVID-19

- Two schemes enabling the French public investment bank Bpifrance to provide State guarantees on commercial loans and credit lines, respectively, for enterprises with up to 5,000 employees.
- A scheme to provide State guarantees to banks on portfolios of new loans for all types of companies. This is direct aid to the companies that will enable banks to quickly provide liquidity to any company that needs it.

Key conditions to claim aid?

- The amount of the loan concerned cannot exceed 25% of turnover or twice the payroll for innovative companies if this criterion is more favorable.

Different types of aid to claim from different entities

Via Bpifrance

- the granting of the Bpifrance guarantee, for cash loans granted by French private banks,
- an extension of the classic guarantees of investment credits,
- the reorganization on request of medium and long term credits for Bpifrance customers,
- the implementation of a new State Guaranteed Loan scheme (Prêt garanti par l'Etat - PGE) with the mobilization of banking networks in order to relieve businesses' cash flow. This system is accessible via the platform developed by Bpifrance

By the Ministry of Economy and Finance

- flat-rate aid of € 1,500 for all SMEs, self-employed workers and micro-entrepreneurs, subject to certain conditions.
- the deferral of rents and bills for water, electricity and gas for companies eligible for the flat-rate aid,
- the suspension of rents and rental charges for the end of April for businesses (less than 20 employees) located in shopping centers,
- the publication of guidelines to support companies.

By the tax authorities



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- the postponement/ push back (without penalty) of the next due dates for direct taxes (company tax installment, salary tax),
- the possibility of opposing direct debits or requesting reimbursement.

Through the Urssaf network (collects employee and employer social security contributions)

- the possibility of postponing all or part of the payment of employee and employer contributions whose due date was on March 15, 2020,
- the establishment of a plan for spreading receivables.

By the Ministry of Labor

- maintaining employment in companies through the simplified and reinforced partial unemployment system,
- the publication of a document in the form of questions and answers for entrepreneurs and employees.

By the Banque de France (credit mediation)

- the possibility of negotiating with your bank a rescheduling of bank credits

By the French Insurance Federation (FFA)

- a contribution of 200 million euros to the Solidarity Fund
- the retention of guarantees in insurance contracts for companies in difficulty in the event of late payment following the pandemic.
- More detailed information on France's aid available to companies during the COVID-19 crisis available here.

More information available here.



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Germany

Introduction

The German government is providing €1 billion (\$1.1 billion) in credit for businesses and companies of all sizes. The credit will be delivered through the state-owned KfW business development bank. Last week, Berlin said the KfW has around €500 billion to help support its economy.

The government also announced a number of tax measures to ensure liquidity for companies. Late payment fines for loans may be waived for companies hit hard by the slowdown caused by the outbreak.

Easier access to short-time work allowance

With the ordinance, the German government makes use of the authorisation laid out in the "Act to enhance the regulations governing short-time work allowance for a limited period as a result of the crisis" (Gesetz zur befristeten krisenbedingten Verbesserung der Regelungen für das Kurzarbeitergeld) in order to make it easier to obtain short-time work allowance. In this way jobs are to be saved during the coronavirus pandemic, and lay-offs avoided.

The following regulations apply retrospectively as of 1 March 2020, to facilitate access to short-time work allowances:

- If a company sees orders decline as a result of difficult economic trends, it can announce short-time work, if a minimum of **10 per cent of its workforce** could be affected by the lack of work. The limit has hitherto been 30 per cent of the workforce.
- It will be possible to dispense in full or in part with the requirement that **negative working hours balances be established** before short-time work allowance can be paid. The current legal situation means that companies that have agreements to deal with fluctuations in workload must also use these to avoid short-time work, meaning that workers' working hour balances become negative.
- In future **contract workers** will also be eligible for short-time work allowance.
- The **social insurance contributions** that employers must normally pay for their workforce will be fully reimbursed in future by the Federal Employment Agency. This is intended to create an incentive to use short-time work more for further training.



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The ordinance makes full use of the authorisations laid out in the "Act to enhance the regulations governing short-time work allowance for a limited period as a result of the crisis" (Gesetz zur befristeten krisenbedingten Verbesserung der Regelungen für das Kurzarbeitergeld).

Rescue package for companies

The economic stabilisation fund aims to guarantee the liquidity and solvency of companies which were healthy and competitive prior to the coronavirus pandemic. The economic stabilisation fund supplements the planned KfW (Kreditanstalt für Wiederaufbau) special programmes.

Main instruments

The economic stabilisation fund will have the following instruments at its disposal:

- A guarantee framework of 400 billion euros to help companies re-finance themselves on the capital market (to bridge liquidity bottlenecks)
- A credit authorisation for 100 billion euros to strengthen the equity base of businesses (recapitalisation)
- Authorisation to take out loans for another 100 billion euros to refinance the special programs of the KfW (Kreditanstalt für Wiederaufbau).

To finance these measures, the German government will raise additional funds as needed on the capital market, through the Federal Republic of Germany – Finance Agency, which is the established channel.

The measures address companies that meet at least two of the following three criteria:

1. A balance sheet total of more than 43 million euros
2. More than 50 million euros in sales revenue
3. More than 249 employees on annual average

On a case by case basis smaller companies may also be reviewed for eligibility, if they are important for the country's critical infrastructure.



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Support measures for SMEs, independent workers and start-ups

Who is eligible for a grant?

- Companies with up to five employees (full-time equivalence): one-time grant of up to EUR 9,000 for three months, possible extension of two more months.
- Companies with up to ten employees (full-time equivalence): one-time subsidy of up to EUR 15,000 for three months, if necessary two additional months.

How long are the grants available?

- Three months.
- Extension by another two months if the landlord reduces the rent by 20 percent.

What are the requirements?

- Economic difficulties resulting from the corona virus crisis.
- The company must not have been in economic difficulties before March 2020.
- Damage occurs after March 11, 2020.
- Private assets do not have to be touched for this.

How and where can those concerned make applications?

- With states and municipalities.
- Electronically if possible.

How are the grants attributed?

- The grants will be combined with other aid related to the corona pandemic, possibly with existing de minimis aid.
- In the coming year, for tax assessments for income tax or corporate income tax, the grants will be taken into account profitably.



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What about young, innovative startups?

- The federal government supports start-ups, young technology companies and small and medium-sized companies with an aid package of two billion euros. It supplements the existing support programs with measures that are specially tailored to the needs of start-ups. These include additional funds for public venture capital investors as well as easier financing for young start-ups without venture capitalists and small and medium-sized companies.

Who can benefit from the tax relief measures?

- Companies directly affected by the corona virus.

What tax breaks are provided?

- Deferment of tax debts from income and corporation tax as well as sales tax until the end of 2020.
- Adjust tax prepayments to income and corporate tax.
- Adjustment of the measurement amount for the purposes of business tax advance payments.
- Waiver of enforcement measures and late payment surcharges on income and corporate tax as well as sales tax.

Who can claim basic support?

- Basic support claims can be made by self-employed, whose income or economic existence will collapse due to the current crisis.

What are the requirements?

- Anyone who submits an application for basic social security benefits between March 1 and June 30, 2020 will have easier access to SGB II benefits (such as ALG II).
- For the next six months, neither financial circumstances nor assets have to be touched.
- You only have to declare that you have no significant assets.

What benefits does basic support include?



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- Basic support means SGB II benefits (like ALG II). This includes a lump sum for living expenses and rent payments.
- The actual amount of housing and heating expenses is recognized in the first six months of receiving basic security.

How long are you entitled to the support measures?

- The usual means test (private assets, reasonable rent and other) only takes place if you are still dependent on basic security after the six months.
- Follow-up applications are also approved unbureaucratically for twelve months.

Where can affected people make an application?

- Applications can be submitted to the Federal Employment Agency or the relevant job center.

Reconstruction Loan for Business Loans

Who gets loans?

- Companies that have been on the market for more than five years.
- Companies that have been active on the market for at least three years or have two annual accounts.
- What do the details look like?
- You apply for a loan for investments and working capital. KfW assumes part of your bank's risk. This increases your chance of getting a loan approval.
- For large companies, up to 80 percent risk assumption.
- For small and medium-sized companies, up to 90 percent risk assumption.
- You can find more information on the KfW website and on the Federal Ministry of Finance website.
- What are the requirements?
- The company was not in financial difficulties until December 31, 2019.
- How does the application work?
- At your bank or savings bank.
- Every application is processed at high pressure to help you as soon as possible.
- You can find more information on the KfW website and on the Federal Ministry of Finance website.



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- What about very young companies?
- Even if your company has been active on the market for less than three years or is not yet able to present two annual financial statements, small and medium-sized companies as well as large companies can use an ERP start-up loan universal for investment

Additional info – regional level

- The southern state of Bavaria announced a fund worth up to €10 billion to help the region withstand the coronavirus. The fund allows the local government to buy stakes in faltering companies to prevent insolvencies. Companies with up to 250 employees can apply for loans between €5,000 and €30,000. The fund will also be used to guarantee 80% of loans taken by companies threatened by default. Bavaria is home to nine blue-chip DAX-30 companies including car manufacturer BMW, engineering giant Siemens and sports retailer Adidas.

Links:

<https://www.bundesregierung.de/breg-de/themen/coronavirus/info-unternehmen-selbstaendige-1735010>



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Italy

COVID-19 SUPPORT MEASURES IN ITALY FOR SMEs

On March 25th, the European Commission, under the State aid Temporary Framework, approved the Italian State guarantee supporting a debt moratorium from banks to small and medium-sized enterprises (SMEs) affected by the coronavirus outbreak.

SMEs

The so-called “*Cura Italia*” Decree (DL n. 18/2020) is the main state legislative act regarding support measures for SMEs also.

The measures can be summed up as follows:

- Simplification of access to SMEs Guarantee Fund for 9 months (from 17th April), guarantees are free of charge and maximum guaranteed amount for each company reaches € 5 million.
- Agency for Innovation and Digitization has launched an initiative called "Digital Solidarity"¹. A portal where companies can register to access the digital services of large private companies in the field of smart / teleworking at no cost.
- For the direct guarantee, maximum coverage percentage is 80%, which rises to 90% with the counter-guarantee of the *Confidi*², and the maximum guaranteed amount per individual company is 1.5 million, to reach the amount of 5 million³.
- Transactions aimed at extinguishing loans (renegotiation and/or consolidation of short-term liabilities) granted by the same bank (or banking group) become eligible, provided that there is additional credit provision equal to at least 10% of the residual debt.
- The duration of the guarantee on the already guaranteed loans subject to suspension of the instalments is extended.
- The payment of the commissions for the failure to complete the financial transactions presented from the date of entry into force of the decree is cancelled.
- Loans are granted to individuals who carry out the business, arts or professions whose business activity has been damaged by the COVID-19 emergency for a duration of less than 18 months and up to € 3.000.

¹ <https://solidarietadigitale.agid.gov.it/#/>

² Italian consortium providing guarantees to facilitate companies in accessing short and medium-term loans
<https://www.confidiperleimprese.it/>

³ Coverage ratio of the loan to be established on the rating model that currently regulates the functioning of the Fund.



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- To support entrepreneurial activities damaged by the COVID-19 epidemic, micro, small and medium-sized enterprises are object of a series of financial support measures upon communication:
 - for revocable credit openings and for loans granted against existing credit advances, the amounts granted, both for the part used and for the part not yet used, cannot be revoked in whole or in part until 30 September 2020;
 - for non-instalment loans with a contractual expiration before 30 September 2020, the contracts are extended, together with their respective ancillary elements and without any formalities, until 30 September 2020 under the same conditions;
 - for mortgages and other instalment repayment, the payment of the instalments or leasing instalments falling due is suspended until 30 September 2020 and the repayment plan of the instalments or instalments subject to suspension is deferred, together with the accessory elements and without any formalities.

Fiscal measures - overall

- 1) EUR 3.2 bn for health care and civil protection;
- 2) EUR 10.3 bn for employment and incomes;
- 3) EUR 5.1 bn support to raise liquidity for businesses and households;
- 4) EUR 1.6 bn tax payment support.

Fiscal measures for companies

- EUR 540 m for 60% tax credit on commercial rents.
- EUR 50 m for incentives to firms to sanitise workplaces.
- Suspension for 2 months of tax and social security payments in the municipalities most affected.
- For firms with an annual turnover below EUR 2 m, suspension of all the tax and social security payments coming due in March (valued at EUR 10 bn in deferred payments).
- Non-application of withholding tax for professionals without employees, with revenues below EUR 400 000 until 31 May 2020.
- Suspension of collection of tax collection files (valued at EUR 0.6 Bn).
- EUR 50 m allocation for one-year suspension in repayment of loans to *Invitalia*⁴ to support SMEs in the most affected municipalities.
- Suspension of 2 months (until end of April) in the payment of the electricity, gas, water and waste bills in the most affected municipalities.

⁴ <https://www.invitalia.it/eng>



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- Increase to EUR 1.7 Bn for the Fund to provide fee-free guarantee for SMEs loans. Eligibility has been enlarged, admission fees and costs reduced. Private individuals can contribute to the SMEs Fund's financing. Maximum guarantees raised from EUR 2.5 m to EUR 5 m.
- Further guarantees for firms most affected by the virus. Facilitate guarantees for self-employed workers, freelancers and individual entrepreneurs.
- Suspension of 6 months (until end of September) of loan repayment by SMEs.
- State guarantee for up to EUR 10 Bn in new loans for medium-large firms.
- EUR 500m to support exporting firms.
- Incentive to sell impaired loans (NPLs) by converting deferred tax assets (DTA) into tax credits for financial and industrial companies.
- Establishment of a Fund to support the cultural sector. Increase in advances from the 2014-2020 Development and Cohesion Fund.

Links

- Ministry of Labour: <https://www.mise.gov.it/index.php/it/198-notizie-stampa/2040864-nuovo-coronavirus-aggiornamenti>
- Ministry of Economy and Finances: <http://www.mef.gov.it/covid-19/index.html>
- Italian Tax Authority (*Agenzia delle Entrate*): <https://www.agenziaentrateriscossione.gov.it/it/Per-saperne-di-piu/covid-19/>
- General Industry Confederation (*Confindustria*): <https://www.confindustria.it/coronavirus>
- Italian Bank Association (ABI): <https://www.abi.it/Pagine/Mercati/Crediti/Credito-alle-imprese/COVID-19>
- Italian Civil Aviation Authority (ENAC): <https://www.enac.gov.it/news/emergenza-covid-19-misure-di-esenzione-note-informative-enac>



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Spain

COVID-19 support measures in Spain for SMEs

On March 24, the European Commission, under the State aid Temporary Framework, approved the two Spanish guarantee schemes for companies and self-employed workers affected by the coronavirus.

An inter-ministerial commission to ensure coordination within the federal government as well as an inter-territorial commission for cooperation across different levels of government have been created.

The two legislative acts into which the aids for SMEs (PYME) are: "Real Decreto-ley 7/2020, de 12 de marzo"⁵ and "Real Decreto-ley 8/2020, de 17 de marzo"⁶.

The measures can be summed up as follows:

- A six month moratorium on taxes for SMEs and self-employed, which is estimated to inject 14 billion euros in liquidity to the economy;
- EUR 400 million credit line to most affected sectors such as tourism and transport;
- Extension of social security bonuses in discontinuous fixed contracts to cover contracts from February to June 2020 in the tourism sector, in order to preserve employment;
- Companies that have received loans from the General Secretariat for Industry and Small and Medium Enterprises are allowed to postpone their repayment.

In total, EUR 18 billion was made available, the bulk of which will be available for SMEs.

On 17th March, the government announced another package of EUR 200 billion, EUR 117 billion of which is paid for by the government, the further amount by the private sector. The measures include:

- EUR 100 billion is available for business liquidity through public guarantees. EUR 2 billion of guarantees are available to exporting firms;
- Measures to help restructure agricultural credits, digitalise SMEs to facilitate teleworking, and facilitate the suspension of public contracts and prevent external (outside the EU) takeovers of Spanish firms in strategic sectors;
- Measures to support for unemployment benefits and for Spain's more than 3 million self-employed workers, where the government will allow them to halt their business by citing "force majeure", to allow them to receive benefits similar to those for the unemployed.

⁵ <https://www.boe.es/eli/es/rdl/2020/03/12/7>

⁶ <https://www.boe.es/eli/es/rdl/2020/03/12/7>



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The measures will apply retroactively from 14 March onwards.

On 24th March, the first tranche of loan guarantees amounting to EUR 20 billion was approved, half of which are earmarked for SMEs, guaranteeing 80% of new loans and financing renewals.

On 25th March, media reported the government will introduce a 2 months freeze in rent payments, which will also be applicable to SMEs and self-employed in difficulty.

Private financiers are also stepping in with SME loan facilities.

Fiscal Measures

- Deferral of tax debts. The Tax Agency has published a document with the instructions to request these new deferrals.
- Suspension of terms. In this link you have a summary of the modification of terms (General Council of Economists and REAF)
- Exoneration of 100% of social taxes for SMEs that keep their personnel in post.

Links

- Ministry of Labour: <http://www.mitramiss.gob.es/es/organizacion/mites/index.htm>
- Ministry of Economy and Finances: <https://www.lamoncloa.gob.es/lang/en/Paginas/index.aspx>
- Spanish Bank Association (AEB): <https://www.abi.it/Pagine/Mercati/Crediti/Credito-alle-imprese/COVID-19>
- Spanish Civil Aviation Authority: https://www.mitma.es/MFOM/LANG_CASTELLANO/DIRECCIONES_GENERALES/AVIACION_CIVIL/



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The Netherlands

Measures announced by the government

- The new temporary measure Temporary Emergency Bridging Measure for Sustained Employment (*NOW, Noodfonds Overbrugging Werkgelegenheid*) will provide financial help for employers to help pay their employees' wages. The unemployment benefit during short-time working scheme has been cancelled. You can apply for the NOW scheme until and including 31 May 2020.
- From 16 March 2020 to 1 April 2021, the SME credit guarantee (BMKB) scheme will be extended to help SMEs that are affected by the coronavirus secure bank guarantees and bridge financing. The extended scheme is referred to as BMKB-C.
- The Business loan guarantee scheme (GO) has been extended.
- Self-employed professionals will be able to apply for an extra, temporary benefit for self-employed professionals (Tozo) to bridge the loss of income from 1 March onwards, in the municipality where they live.
- Entrepreneurs who have a loan from microcredit provider Qredits do not have to repay their loan for a period of 6 months. During this period, the interest will be reduced to 2%. The government supports Qredits with 6 million euros.
- The €4,000 Reimbursement for entrepreneurs in affected sectors scheme (TOGS) is now open for entrepreneurs in a number of specific sectors who have been affected by the coronavirus measures. You can apply to the Netherlands Enterprise Agency (in Dutch). To find out if your business is eligible for the reimbursement, check the SBI code list (in Dutch). At the bottom of the page, there is a search tool (Zoektool SBI-codes) where you can enter your KVK number to find out your SBI code.
- The government will extend the export credit insurance facility. It will be possible for companies to get a short-term guarantee with a runtime of less than 2 years. Also, other conditions are being extended. Read the news article on Rijksoverheid.nl (in Dutch).
- The Dutch Trade and Investment Fund (DTIF) will be extended to include pre-delivery advances.

Tax options for entrepreneurs

- You can apply for a payment extension of 3 months for all your income tax, corporate tax, payroll tax, and turnover tax (VAT) assessments at once, by filling out a special online form (in Dutch). You need a DigiD for this, but if you don't have one, you can ask an employee or a financial advisor to login for you, using their DigiD. You will need to fill out your RSIN number or your citizen service number (BSN), so keep these ready. The Dutch Tax



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Administration will put on hold any measures in place to collect payment immediately upon reception of your request.

- You can now also apply for payment extension of several other taxes and duties: excise duty, landlord levy, environmental taxes, insurance premium tax and betting and lottery tax.
- You will not have to pay any fines for late payment.
- The normal collection interest rate for paying after the payment term has passed has been decreased temporarily to nearly 0%. This applies to all tax debts. The tax interest rate will also temporarily be set to the lowest possible percentage for all entrepreneurs.
- The obligation for employers under the new Balance Employment Market Act, to report permanent employees' employment contracts before 1 April 2020, has been extended to 1 July 2020.
- Under certain circumstances, you can apply for unblocking of your G-account. Read the conditions and find the form (in Dutch, under 'Deblokkeren g-rekening').
- Read more about the Dutch Tax Administration measures to help entrepreneurs (in Dutch).



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The United Kingdom

Package of measures to support businesses in times of COVID-19

- a Coronavirus Job Retention Scheme
- deferring VAT and Self-Assessment payments
- a Statutory Sick Pay relief package for small and medium sized businesses (SMEs)
- small business grant funding of £10,000 for all business in receipt of small business rate relief or rural rate relief
- the Coronavirus Business Interruption Loan Scheme offering loans of up to £5 million for SMEs through the British Business Bank
- a new lending facility from the Bank of England to help support liquidity among larger firms, helping them bridge coronavirus disruption to their cash flows through loans
- the HMRC Time To Pay Scheme
- All these schemes are:
 - o to support employers whose operations have been severely affected by coronavirus
 - o temporary schemes, open to all UK employers for at least 3 months starting from 1 March 2020
- More detailed information on the UK's aid available to companies during the COVID-19 crisis available [here](#).

Coronavirus Job Retention Scheme

- **Employers can claim for 80% of furloughed employees'** (employees on a leave of absence) usual monthly wage costs, **up to £2,500 a month**, plus the associated Employer National Insurance contributions and minimum automatic enrolment employer pension contributions on that wage. Employers can use this scheme anytime during this period.
- The scheme is open to all UK employers that had created and started a PAYE payroll scheme on 28 February 2020.
- Claim for wage costs through the Coronavirus Job Retention Scheme.

Support for businesses through deferring VAT payments

- support businesses by deferring Valued Added Tax (VAT) payments for 3 months.
- If you're a UK VAT registered business and have a VAT payment due between 20 March 2020 and 30 June 2020, you have the option to:
 - defer the payment until a later date
 - pay the VAT due as normal
- Find out how to defer your VAT payment.



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Support for businesses through deferring Self-Assessment payments on account

- If you're due to pay a self-assessment payment on account by 31 July 2020 but the impact of the coronavirus causes you difficulty in making payment by that date, then you may defer payment until January 2021.

Eligibility

- You are eligible if you are due to pay your second self-assessment payment on account on 31 July. You do not need to be self-employed to be eligible for the deferment.
- The deferment is optional. If you are still able to pay your second payment on account on 31 July you should do so.

How to access the scheme

- This is an automatic offer with no applications required. No penalties or interest for late payment will be charged if you defer payment until 31 January 2021.
- During the deferral period you can set up a budget payment plan to help you pay the deferred payment on account when it comes due.

Support for businesses who are paying sick pay to employees

- Government bringing forward **legislation to allow small-and medium-sized businesses and employers to reclaim Statutory Sick Pay (SSP) paid for sickness absence due to COVID-19.**
- this refund will **cover up to 2 weeks' SSP per eligible employee** who has been off work because of COVID-19
- employers will be able to reclaim expenditure for any employee who has claimed SSP (according to the new eligibility criteria) as a result of COVID-19
- employers should **maintain records of staff absences and payments of SSP**, but employees will not need to provide a GP fit note. If evidence is required by an employer, those with symptoms of coronavirus can get an isolation note from NHS 111 online and those who live with someone that has symptoms can get a note from the NHS website
- eligible period for the scheme will commence the day after the regulations on the extension of SSP to those staying at home comes into force
- the government will work with employers over the coming months to set up the repayment mechanism for employers as soon as possible



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Eligibility

- your business is a UK based small or medium-sized and employs fewer than 250 employees as of 28 February 2020

How to access the scheme

- A rebate scheme is being developed. Further details will be provided in due course once the legalisation has passed. The size of an employer will be determined by the number of people they employed as of 28 February 2020.

Support for businesses that pay little or no business rates

- The government will provide additional Small Business Grant Scheme funding for local authorities to support small businesses that already pay little or no business rates because of small business rate relief (SBRR), rural rate relief (RRR) and tapered relief. This will provide a one-off grant of £10,000 to eligible businesses to help meet their ongoing business costs

Eligibility

- your business is based in England
- you are a business that occupies property
- you are receiving small business rate relief or rural rate relief as of 11 March

How to access the scheme

- Eligible businesses will be contacted by their local authority, though some local authorities have decided to operate an applications process.
- Any enquiries on eligibility for, or provision of, the grants should be directed to the relevant local authority.
- [Find your local authority.](#)

Support for businesses through the Coronavirus Business Interruption Loan Scheme

- The temporary Coronavirus Business Interruption Loan Scheme supports SMEs with access to loans, overdrafts, invoice finance and asset finance of up to £5 million and for up to 6 years.



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- The government will also make a Business Interruption Payment to cover the first 12 months of interest payments and any lender-levied fees, so smaller businesses will benefit from no upfront costs and lower initial repayments.
- The government will provide lenders with a guarantee of 80% on each loan (subject to pre-lender cap on claims) to give lenders further confidence in continuing to provide finance to SMEs. The scheme will be delivered through commercial lenders, backed by the government-owned British Business Bank.
- There are 40 accredited lenders able to offer the scheme, including all the major banks.
- Find out if you're eligible and how to apply.

Support for large businesses through the Coronavirus Large Business Interruption Loan Scheme

- The **new Coronavirus Large Business Interruption Loan Scheme (CLBILS) will provide a government guarantee of 80%** to enable banks to make loans of up to £25 million to firms with an annual turnover of between £45 million and £500 million.
- This will **give banks the confidence to lend to many more businesses** which are impacted by coronavirus. Facilities backed by a guarantee under CLBILS will be offered at commercial rates of interest.
- We expect the scheme to be delivered through commercial lenders. The government will provide lenders with an 80% guarantee on individual loans for businesses that would be otherwise unable to access the finance they need.
- Lenders will still be expected to conduct their usual credit risk checks. This scheme allows lenders to specifically support businesses that were viable before the COVID-19 outbreak but now face significant cash flow difficulties that would otherwise make their business unviable in the short term.
- The new scheme will **launch later this month and will support a wide range of businesses to access finance products including short term loans, overdrafts, invoice finance and asset finance.**
- Businesses would remain responsible for repaying any facility they may takeout.

Eligibility

- be UK-based in its business activity and have an annual turnover between £45 million and £500 million
- be unable to secure regular commercial financing



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- have a borrowing proposal which the lender:
- would consider viable, were it not for the COVID-19 pandemic
- believes will enable you to trade out of any short-term to medium-term difficulty
- Businesses from any sector can apply, except for the following:
- banks and building societies
- insurers and reinsurers (but not insurance brokers)
- public-sector organisations, including state-funded primary and secondary schools
- Further detail on eligibility will be confirmed later this month.

Support for larger firms through the COVID-19 Corporate Financing Facility

- Under the new Covid-19 Corporate Financing Facility, the Bank of England will buy short term debt from larger companies.
- This will support your company if it has been affected by a short-term funding squeeze, and allow you to finance your short-term liabilities.
- It will also support corporate finance markets overall and ease the supply of credit to all firms.

Eligibility

- All non-financial companies that meet the criteria set out on the [Bank of England's website](#) are eligible.

How to access the scheme

- The scheme is now available for applications.
- More information is available from the [Bank of England](#).

Support for businesses paying tax: Time to Pay service

- All businesses and self-employed people in financial distress, and with outstanding tax liabilities, may be eligible to receive support with their tax affairs through HMRC's Time To Pay service.
- These arrangements are agreed on a case-by-case basis and are tailored to individual circumstances and liabilities.

Eligibility



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- You are eligible if your business:
 - pays tax to the UK government
 - has outstanding tax liabilities

How to access the scheme

- If you have missed a tax payment or you might miss your next payment due to COVID-19, please call HMRC's dedicated helpline: 0800 024 1222.
- If you're worried about a future payment, please call us nearer the time.

Event coverage

- **Businesses with event cancellation policies** that include unspecified notifiable disease extensions **should be able to make a claim for the necessary and unavoidable cancellation, abandonment, curtailment, postponement and disruption** of their event for reasons beyond the control of organisers and participants (subject to the other terms and exclusions of their policy).
- Insurance for major events is often bespoke to the specific event, so businesses are encouraged to check the terms and conditions of their specific policy and contact their insurer or broker.

Protection from eviction for commercial tenants

- Commercial tenants who cannot pay their rent because of COVID-19 will be protected from eviction.
- These measures will mean no business will automatically forfeit their lease and be forced out of their premises if they miss a payment up until 30 June.
- There is the option for the government to extend this period if needed.
- This is not a rental holiday. All commercial tenants will still be liable for the rent. Commercial tenants are protected from eviction if they are unable to pay rent.

Eligibility

- All commercial tenants in England, Wales and Northern Ireland are eligible.

How to access the scheme

- The change will come into force when the Coronavirus Bill receives Royal Assent.



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- No action is required.

Businesses in Scotland

- [View the latest guidance on coronavirus for businesses in Scotland.](#)

Businesses in Wales

- [View the latest guidance on coronavirus for businesses in Wales.](#)

Businesses in Northern Ireland

- [View the latest guidance on coronavirus for businesses in Northern Ireland.](#)