

CORONAVIRUS COVID-19 // Economic support package

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

























GOVERNMENTAL SUPPORT MEASURES APPLICABLE FOR STARTUPS

Presented by Startup Luxembourg, connecting, supporting and promoting the Grand Duchy's startup ecosystem

MEASURES

DESCRIPTION

INSTITUTION(S)

| Benefit from public grants | | | |
|--|---|---|--|
|  | Financial support for companies carrying out investments or R&D projects for products helping to combat the health crisis | Co-fund up to 80% of costs for industrial research and experimental development projects as well as investment projects to produce / develop medical devices or hospital and medical equipment | Ministry of the Economy  |
|  | Financial aid for young innovative companies | Aid scheme meant to support the growth of startups by providing up to €800,000 to co-finance at least 70% (before the crisis it was up to 50%) of all costs borne by a startup for the duration of its project | Ministry of the Economy  |
| Maintain employment | | | |
|  | Provision of short-term employment benefit due to force majeure | To prevent lay-offs, the Government takes over 80% of salaries through an accelerated procedure that enables the payment of advances. Reimbursement is possible up to 250% of the social minimum wage (€5.354,98) | Ministry of the Economy  National Employment Agency (ADEM)  |
|  | Specific measures for third-country nationals currently in Luxembourg | The residence and working permits of third-country nationals which expired as from March 1, 2020 remain valid for the duration of the state of crisis | Ministry of Foreign and European Affairs  |
| Address cash flow problems | | | |
|  | Emergency allowance for the self-employed | Grant self-employed people with less than 10 employees a non-refundable and non-taxable support of €2.500 | Ministry of the Economy  |
|  | Capital grant advances | Grant financial aid up to €500,000 in the form of a repayable advance to cover operating costs | Ministry of the Economy  |
|  | Full coverage by National Health Fund (CNS) of the remuneration only in case of sickness | The normal mechanism for continuation of remuneration in case of sickness leave is waived and CNS takes over remuneration of sick employees as from the first day of sickness | National Health Fund (CNS)  |
|  | Moratorium of loan repayments granted by certain banks | Postponement of the repayment of loans to better cope with cash flow difficulties | Ministry of Finance  Several banks |
|  | Advance refund of VAT | Early repayment of VAT credit balances below €10,000 | Registration Duties, Estates and VAT Authority (AED)  |
|  | Payment of an advance on extraordinary family leave | The Government advances part of the salary reimbursement that employers must continue to pay to parents on extraordinary family leave | Joint Social Security Centre (CCSS)  Employers' Mutual Insurance Scheme National Health Fund (CNS) |
| Defer tax-related payments and social security contributions to meet liquidity needs | | | |
|  | Administrative tolerance in social security contributions | Administrative flexibility in case of late payment of social security contributions; Self-employed persons who face a reduction in professional income may at any time reduce the contribution base | Joint Social Security Centre (CCSS)  |
|  | Cancellation of quarterly tax advances | Cancellation of tax advances for the first 2 quarters of 2020. This concerns income tax (of companies) and municipal business tax | Inland Revenue (ACD)  |
|  | Postponement of tax deadlines | Interest-free deferral of 4 months of income tax, municipal business tax and wealth tax | Inland Revenue (ACD)  |
|  | Deferral of tax return filings | Extension of the the deadline for the submission of declarations for legal and natural persons to 30 June 2020 | Inland Revenue (ACD)  |
|  | Administrative tolerance with regard to VAT returns of tax return filings | No administrative penalty for exceeding a deadline for filing VAT returns | Registration Duties, Estates and VAT Authority (AED)  |
| Facilitate access to bank financing | | | |
|  | Provision of "SME guarantees" in cooperation with banks active in corporate financing | SMEs to receive guarantees to extend credit lines via the applicant companies' banks | Clients' banks together with the Société Nationale de Crédit et d'Investissement (SNCI)  |
|  | State-guaranteed scheme for new bank credits for SMEs and large companies for up to 6 years | Providing new bank credit lines that the State guarantees up to 85% for a total amount of €2.5 billion | Ministry of Finance  Ministry of the Economy  |
|  | Financing over 5 years in favor of the mutual societies of the professional chambers | Expanding the guarantees provided to SMEs with a total leverage of more than €200 million | Société Nationale de Crédit et d'Investissement (SNCI)  |
|  | "Special Anti-Crisis Financing" via companies' banks and SNCI | Covering financing needs via indirect loans of €12,500 to €16,6 million | Clients' banks together with the Société Nationale de Crédit et d'Investissement (SNCI)  |
| Receive legal protection | | | |
|  | Suspension of the obligation to make a declaration of insolvency leading to bankruptcy | Exemption for companies from having to make a declaration of bankruptcy when they do not have sufficient liquid assets | Ministry of Justice  |
|  | Suspension of the forced execution of evictions ordered for residential and commercial leases | Protecting tenants during the crisis if they are unable to pay rent or are in arrears | Ministry of Justice  |