

# OVERVIEW SUPPORTING MEASURES COVID-19

In this document you can find an overview of all Fiscal Measures, Economic unemployment, Bank Plan and the restrictions on Traveling abroad

## 1. FINANCIAL COMPENSATION

Any company that suffers financially, even if it wasn't obliged to close due to the Corona Crisis, can apply for a financial compensation :

- Compensation of 3000 euros

For every self-employed person

In case you can prove (sworn statement) a loss of turnover of at least 60% compared to the same period last year, more specifically 14/3/2019 - 30/4/2019

- Contact VLAIO to apply for this financial compensation: [www.vlaio.be](http://www.vlaio.be)

## 2. FISCAL MEASURES

Companies that experience difficulties caused by the coronavirus (COVID-19) crisis can request a payment plan at the Federal Public Service (FPS) Finance.

In addition, measures were taken in the form of postponement of the submission of certain taxes and postponement of payment of certain debts.

### 2.1. **Change in Prepayment percentages of income tax**

The government has decided to grant an additional benefit to companies making advance payments in Q3 and Q4, with ultimate due date on 10 October 2020 and 20 December 2020. This measure makes it more interesting for companies to make an advance payment because of the discount granted on these advance payments.

The table below shows the adjusted percentages for Advanced Payments.

	<b>Personal income tax</b>	<b>Corporate Tax (no dividend payment)</b>	<b>Corporate Tax (with dividend payment)</b>
AP1	3 %	9 %	9 %
AP2	2,5 %	7,5 %	7,5 %
AP3	2,25 %	6,75 %	6 %
AP4	1,75 %	5,25 %	4,5 %

The measure is intended for companies with liquidity problems.

The measure does not apply to companies that:

- buy back own shares or implement a capital reduction
- who pay or declare dividends between March 12 2020 and December 31 2020

For more information please contact your accountant or via

<https://financien.belgium.be/nl/Actueel/corona-steenmaatregel-wijziging-percentages-voorafbetalingen-van-de-inkomstenbelasting>

## **2.2. Payment plan for fiscal debts**

Companies (natural and legal persons), regardless of the industry they are active in, that can demonstrate they are affected as a consequence of the coronavirus can apply for these support measures. The support measures will not be applied to companies that have had structural payment issues irrespective of the corona virus crisis.

A payment plan can be requested for the following fiscal debts:

- Withholding tax
- VAT
- Personal Income Tax (including Carat Tax)
- Corporate Income Tax (including Carat Tax)
- Legal entities Tax

For these debts there is also

- A guaranteed exemption of late-payment interests
- Waiver of penalties due to non-payment

### **PROCEDURE TO REQUEST Payment plan**

You need to submit a request per debt at the moment of receiving your tax assessment notice or payment order.

This request needs to be submitted by e-mail or letter to the "[Regionaal Invorderingscentrum](#)", your regional tax office, mandated to your municipality.

For more info: [financien.belgium.be/nl/ondernemingen/steunmaatregelen-betreffende-het-coronavirus-covid-19](https://financien.belgium.be/nl/ondernemingen/steunmaatregelen-betreffende-het-coronavirus-covid-19)

### 2.3. Postponement for submitting tax returns

This measure aims at providing companies and entrepreneurs but also families more financial breathing room. This way, the government hopes to soften the financial impact of the corona crisis.

- **Postponement for filing tax returns of the corporate income tax (including the Carat Tax), the legal entities tax and the BNI-ven (tax on non-resident companies) with limit date of March 16 through April 30 2020**

You receive extra time through Thursday April 30 at midnight to file tax returns for the corporate income tax, legal entities tax and tax for non-resident companies.

This additional term only applies for the tax returns with ultimate submission date of March 16 through April 30 2020.

- **Postponement for submitting VAT tax returns**

#### Periodic tax returns

##### Tax returns

February 2020

March 2020

1<sup>st</sup> Quarter 2020

##### Term prolonged to

6 April 2020

7 May 2020

7 May 2020

#### Intra-community tax returns

##### Tax returns

February 2020

March 2020

1<sup>st</sup> Quarter 2020

##### Term prolonged to

6 April 2020

7 May 2020

7 May 2020

#### Annual client listing

Postponement until 30 April 2020

More info: <https://financien.belgium.be/nl/Actueel/18-03-2020-coronavirus-bijkomende-steunmaatregelen>

## 2.4. Postponement of payment

This measure aims at providing companies and entrepreneurs but also families more financial breathing room. This way, the government hopes to soften the financial impact of the corona crisis.

- **Payment of VAT and Withholding tax**

You will receive an automatic postponement of payment of two months for VAT and withholding tax without penalties or interests

This postponement applies to

### VAT

#### Payment

Monthly returns February 2020  
Monthly returns March 2020  
Quarterly returns 1st Quarter 2020

#### Term prolonged to

20 May 2020  
20 June 2020  
20 June 2020

### Payroll tax

#### Payment

Monthly returns February 2020  
Monthly returns March 2020  
Quarterly returns 1st Quarter 2020

#### Term prolonged to

13 May 2020  
15 June 2020  
15 June 2020

- **Payment of VAT and Personal income tax (Carat Tax included) and Corporate income tax (Carat Tax included)**

For the payment of the personal income tax, the corporate income tax, the tax for non-resident companies (BNI) and legal entities tax: two extra months, in addition to the regular payment term, will be added without penalties or interest. This measure applies to the statement of these taxes, tax year 2019, established starting at 12 March 2020.

These measures also apply to the payment of debts regarding the personal income tax or corporate income tax, established before 12 March 2020, as well as additional payment terms, exemption from late-payment interests and/or waiver of late-payment penalties, upon request.

For information, check: <https://financien.belgium.be/nl/Actueel/18-03-2020-coronavirus-bijkomende-steunmaatregelen>

- **Withholding tax**

The Flemish Tax Authority will only send out tax returns for the withholding tax, tax year 2020 starting September 2020 (instead of starting May 2020)

- **Traffic taxes: extended payment term**

Companies get an additional four months of postponed payment for traffic taxes:

- On **tax returns that are sent starting March 26**, a payment term of six months will be mentioned (instead of the regular two months)
- On **tax returns that were sent out recently**, which state a payment term of two months, the receiver may add four extra months. That way they will get an additional four months to pay. For this period, no new late-payment interest will be charged.

This measure applies to companies that are legal entities. Sole proprietors can easily request a payment plan or a waiver for late-payment interests.

- **Extension of terms to fulfill fiscal duties regarding inheritance and registration tax**

Due to safety measures in place in Belgium currently, notaries and citizens might not always be able to fulfill all fiscal formalities on time.

The Flemish Tax Authority has granted, as a general rule, a **tolerance period with an extended term of two months** after the conclusion of the period in which the corona-related restrictions are in effect.

The period of corona restrictions is considered a situation of force majeure. During this tolerance period, **no additional taxes** will be applied if the initial terms are exceeded.

## 2.5 Protection against seizure and bankruptcy

Companies that face difficulties due to the COVID-19 virus will be temporarily protected against seizure and bankruptcy thanks to an amendment to the insolvency law.

As a result, companies automatically and temporarily benefit from a legal suspension, which means that:

- The company is protected against seizure

- Companies cannot be declared bankrupt at the request of their creditors (but at the request of the public prosecution service, or with the agreement of the debtor himself)
- Current agreements cannot be terminated due to default
- The debtor is temporarily not obliged to file for bankruptcy
- A judge specialized in corporate law can decide whether a debtor can benefit from this suspension

As a result, companies automatically and temporarily benefit from a legal suspension

### **3. ECONOMIC UNEMPLOYMENT**

In the framework of the Corona crisis you can place your employees (laborers and employees) on temporary unemployment. This means you do not have to pay wages for the days your employees cannot work. Your employees will receive social benefits from the RVA. By using this system, you can avoid having to dismiss staff.

On 20 March 2020, the government issued new guidance making this system more accessible for employers.

You can find all the information on the RVA website ([www.rva.be](http://www.rva.be)) where you can find a FAQ on the options of this system. This FAQ is updated frequently, to provide the most recent information.

We also advise you to get in touch with your bookkeeper or social secretariat. They can advise you on all options and help you fill out all necessary formalities.

- **Compensation for water and energy bills for all who are economically unemployed**

Anyone who is put on temporary unemployment will receive a compensation from the Flemish government of one month's payment of water- and energy bills.

The amount of money is based on the average expense per month for water and energy (electricity/gas/fuel/other).

### **4. BANKS**

On Sunday March 22<sup>nd</sup>, the Federal Government, the National Bank and the banks reached an agreement to:

- Grant postponement of payment to individuals for existing credit lines until Sept 30<sup>th</sup> 2020, for example home loans
- This postponement should be applied for at your bank
- If the postponement is approved, you are temporarily exempted from the payment of interest and capital. These measures will go into effect on Friday March 27

### **banking plan' of Minister of Finance Alexander De Croo**

Government decided that it will be possible to receive, up until September 30 2020, new **additional credit and credit lines**, with a maximum duration of 12 months (refinancing credits are excluded), which will fall under the government guarantee system.

The interest on these new credits and credit lines can't exceed 1,25% per annum nominally.

The government also announced that all financial institutions operating in Belgium, as well as branches of credit institutions **under foreign law**, are covered by this plan. This means it **also applies to foreign banks active in Belgium**. The government is currently negotiating the details with the banking sector about this measure, if you want more information about these possibilities, please contact your bank.

### **UPDATE Deferment of Corporate Loans**

*What does the banking plan for companies mean in practice?*

Businesses that are financially affected by the corona crisis and who meet the conditions for granting may request payment deferment of corporate credit.

*What does this mean for my company?*

A payment extension of the business credit means that your company must not make any repayments of capital for a maximum of 6 months. Interest remains due.

The banks undertake not to charge the usual file or administration costs.

*What about the timing?*

For applications made up to and including April 30, 2020, a maximum of 6 months of deferral can be obtained, up to and including October 31, 2020.

For applications made after April 30, 2020, the end date remains October 31, 2020.

This means, for example, that anyone who makes a credit application can withdraw another 4 months of payment delay in June (July-August-September-October).

Applications made prior to the publication of the charters will be evaluated according to the charters' criteria. If necessary, the bank will contact the borrower.

*How do I apply for it?*

Anyone who thinks that they meet the conditions to be able to apply for a postponement of payments is asked to contact his or her bank. This is only possible by appointment or via the available digital channels of the bank (e-mail, chat, mobile app, ...) and by telephone. If you think you meet the conditions to apply for a postponement of payment, you have to contact your bank. Banks cannot refuse the deferment if you fit all criteria. On the Febelfin website you can find an [extensive Q&A](#) (Dutch)

The banks make every effort to help their customers as best and as quickly as possible.

Full details of the payment deferral can be found in the corporate credit deferral charter.

More information about the Corporate Credit Deferment Charter [here](#)

More information:

- <https://financien.belgium.be/nl/coronavirus>
- <https://febelfin.be/nl>

## **UPDATE: EXPANDED GUARANTEE**

### **What is it ?**

PARTICIPATIEMAATSCHAPPIJ VLAANDEREN (PMV), the Flemish Investment Fund will guarantee loans used to pay debts caused by the Corona crisis.

PMV guarantee enables companies, which are unable to obtain financing due to a lack of sufficient guarantees, can have 75% of their contracts covered by the Flemish government, in exchange for a once-only premium. The fee of this premium will be 0,25% instead of the normal 0,5%. Thus, the government partially carries the bank's risk. Thus, the government partially carries the bank's risk.

Because of the Corona crisis, this government guarantee is expanded, allowing companies and sole proprietors to have sufficient guarantees for a bridging loan, including for existing, non-banking debts (up to 12 months).

In addition the government created the possibility to receive a 50% guarantee on short-term credit lines, on the condition they are maintained for a period of minimal three months.

The measures are an addition to the existing guarantees for investment credit and working capital - that procedure allows you to extend guaranteed credits or request deferment of payment.

## **For which debts can I apply?**

This concerns existing, non-bank debt, such as overdue social security and VAT debt or outstanding rent or, for example, overdue wages more than 3 months old (counts as recovery of working capital). Those who have paid an invoice with their own funds six months ago (the arrangement is valid for 12 months) or for example want to pay off their own current account can apply the corona crisis guarantee.

In addition, under the 100 million Euro Corona crisis guarantee, bank debt (in addition to supplier debts) of existing credit lines and investment credits that are not yet guaranteed under the deposit can be guaranteed, insofar as the bank is also willing to allow a minimum of 3 months payment delay. Thus the crisis guarantee serves as a catalyst towards businesses.

## **How can you apply for this extended procedure?**

If you wish to make use of a financing request based on the corona guarantee, you need to get in touch with your bank or leasing company. They will assess if the guarantee is applicable to your financing. You will have to demonstrate your financing request is a consequence of the Corona crisis.

## **When can you apply?**

You can get in touch with your bank or leasing company starting today. This procedure will run through to the end of this year (2020).

More info (Dutch): <https://www.pmvz.eu/corona-uitbreiding>

## **UPDATE: MEZZANINE FINANCING BY PARTICIPATIE MAATSCHAPPIJ VLAANDEREN (PMV)**

PMV, Participatie Maatschappij Vlaanderen, provides an extra financial buffer for Flemish companies, by offering subordinated loans (mezzanine financing) on a medium term of 3 years.

These subordinated loans are for companies which are not qualified for the short-term bridging loans that banks offer now with a federal government guarantee.

Beware that these loans **can not** be combined with the financial compensation that is provided by the Flemish government.

What does this mezzanine financing of PMV entail?

- Only for healthy companies that need financial reinforcement due to the COVID-19 pandemic

- At the start of the COVID-19 crisis, companies were not allowed to have arrears of payment on current credits, taxes, VAT or Social Security contributions
- A loan of minimum 25,000 euros - maximum 800,000 euros.
- The interest rate is 4,5% for SME's and self-employed persons taking out this type of loan. It is an annual deferred interest that can be paid in full at the end of the period.
- These subordinated loans can be applied for from now until 15 November 2020 at the latest.

The loan can be requested via <http://www.pmv.eu/nl/achtergestelde-lening-op-drie-jaar-aanvragen>

## 5. **TRAVELING ABROAD**

As a rule, people should work from home, all non-essential movements are to be avoided, unless there is no other option. You may go to work, but you need to respect a minimum of 1.5 meters distance from other people, the so-called 'social distancing', including in elevators, within your own office space or when you are in another office or building.

### **Traveling abroad**

- Non-essential travel is prohibited by the government until April 5. It has not been defined what is or is not essential travel, so each person decides individually what (non-) essential means. Holidays for example are not essential.
- Those who have to **travel for work** are recommended to check the website of the Federal Public Service Foreign Affairs to see which measures are in effect to stem the spread of the virus:

[https://diplomatie.belgium.be/nl/Diensten/Op\\_reis\\_in\\_het\\_buitenland/reisadviezen](https://diplomatie.belgium.be/nl/Diensten/Op_reis_in_het_buitenland/reisadviezen)

- **Traveling to France**

If you want to travel to France, we recommend that you download and complete this form:

[https://www.gouvernement.fr/sites/default/files/contenu/piece-jointe/2020/03/attestation\\_de\\_deplacement\\_derogatoire.pdf](https://www.gouvernement.fr/sites/default/files/contenu/piece-jointe/2020/03/attestation_de_deplacement_derogatoire.pdf)

- [https://diplomatie.belgium.be/nl/Diensten/Op\\_reis\\_in\\_het\\_buitenland/reisadviezen/frankrijk](https://diplomatie.belgium.be/nl/Diensten/Op_reis_in_het_buitenland/reisadviezen/frankrijk)

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