

# LUXEMBOURG COVID19 SUPPORT FOR SMES

## - YOUR GUIDE -

UPDATE  
29/04

These are Covid-19 support initiatives that have gone live, we are aware that other measures are in process of being put into place and will update accordingly. Please let us know if anything is incorrect or you don't understand something. You can reach us on [support@lhof.lu](mailto:support@lhof.lu)

PROGRAMMES	COORDINATING BODY	TYPE	WEBSITE	PREREQUISITES	APPLICATION PROCEDURE	ELIGIBLE COSTS	ADDITIONAL INFO
CERTIFIED EMERGENCY ALLOWANCE AND SUPPLEMENTARY CERTIFIED EMERGENCY ALLOWANCE IN FAVOUR OF CERTAIN MICRO-UNDERTAKINGS (LESS THAN 10 EMPLOYEES)	MINISTRY OF THE ECONOMY <a href="#">LINK</a>	Grant	<a href="#">LINK</a>	<p>"The allowance is for commercial or craft undertakings holding a valid business permit issued by the Ministry of the Economy's General Directorate for Small and Medium-Sized Enterprises:</p> <p>that are affiliated as employers with the social security scheme; where the number of employees affiliated with the social security scheme is less than 10 (calculated as the number of full-time posts); that are able to attest to an annual turnover of at least EUR 15,000; have a turnover and balance-sheet total that do not exceed EUR 2,000,000; and</p> <p>have been forced to close their establishments or cease their activities in application of the measures adopted by the Government in the context of the Covid-19 pandemic; or</p> <p>have suffered a loss in turnover of at least 50% during the period between 15 April 2020 and 15 May 2020 (on the basis of an estimate of turnover for the given period)."</p>	<a href="#">LINK</a>	N/A	Legal reference <a href="#">LINK</a>
CERTIFIED EMERGENCY ALLOWANCE IN FAVOUR OF UNDERTAKINGS WITH BETWEEN 10 AND 20 EMPLOYEES IN THE CONTEXT OF THE COVID-19 PANDEMIC	MINISTRY OF THE ECONOMY <a href="#">LINK</a>	Grant	<a href="#">LINK</a>	<p>"The allowance is for commercial or craft undertakings holding a valid business permit issued by the Ministry of the Economy's General Directorate for Small and Medium-Sized Enterprises:</p> <p>that are affiliated as employers with the social security scheme; where the number of employees affiliated with the social security scheme is between 10 and 20 (calculated as the number of full-time posts); that are able to attest to an annual turnover of at least EUR 15,000; have a turnover and balance-sheet total that do not exceed EUR 4,000,000; and</p> <p>have been forced to close their establishments or cease their activities in application of the measures adopted by the Government in the context of the Covid-19 pandemic; or</p> <p>have suffered a loss in turnover of at least 50% during the period between 15 April 2020 and 15 May 2020 (on the basis of an estimate of turnover for the given period)."</p>	<a href="#">LINK</a>	N/A	Legal reference <a href="#">LINK</a>
REPAYABLE FINANCIAL AID TO COMPENSATE FOR TEMPORARY FINANCIAL DIFFICULTIES CAUSED BY THE COVID-19 CRISIS	MINISTRY OF THE ECONOMY <a href="#">LINK</a>	Luxembourg State grants aid in the form of repayable advances	<a href="#">LINK</a>	<a href="#">LINK</a>	<a href="#">LINK</a>	<a href="#">LINK</a>	Chamber of Commerce (+352) 42 39 39 445 <a href="mailto:covid19@houseofentrepreneurship.lu">covid19@houseofentrepreneurship.lu</a> <a href="#">LINK</a>
MORATORIUM ON LOAN REPAYMENTS OFFERED BY BCE, BGL BNP PARIBAS, BIL, RAFFEISEN, BANQUE DE LUXEMBOURG AND ING	MINISTRY OF FINANCE <a href="#">LINK</a>	Defer repayment of credit to better deal with liquidity challenges	<a href="#">LINK</a>	<a href="#">LINK</a>	<a href="#">LINK</a>	N/A	
STATE GUARANTEE SCHEME FOR NEW BANK LOANS FOR A MAXIMUM PERIOD OF 6 YEARS	MINISTRY OF FINANCE <a href="#">LINK</a>	Bank loan guarantees: 85% by the State and 15% by the participating banks for loans granted during the period from 18 March 2020 to 31 December 2020	<a href="#">LINK</a>	N/A	N/A	N/A	N/A
BANK GUARANTEE FOR COMPANIES WITH CASH FLOW DIFFICULTIES	MUTUAL LOAN GUARANTEE SCHEME (MG) CHAMBER OF COMMERCE	Bank loan guarantee	<a href="#">LINK</a>	N/A	To benefit from this bank guarantee, companies must apply directly to their bank, which is free to decide whether or not to release the credit. The chamber of commerce has been in contact with banks to organise the roll-out of the service.	This guarantee will be up to 50% of the credit and cover a maximum amount of EUR 250,000 per guarantee.	More information about the guarantee can be obtained by calling the House of Entrepreneurship hotline, on 42 39 39 445. The hotline will open on Monday 16 March, and will operate on working days from 9am to 12 noon, and from 2pm to 5pm. People can also email questions to <a href="mailto:covid19@houseofentrepreneurship.lu">covid19@houseofentrepreneurship.lu</a> . <a href="#">LINK</a>
EXTRAORDINARY LEAVE FOR FAMILY REASONS (COVID-19)	CNS INDEMNITES PÉCUNIAIRES L.2980 LUXEMBOURG	Leave for Family Reasons	<a href="#">LINK</a>	<ul style="list-style-type: none"> <li>Parents who have to look after their child(ren) under 13 years old</li> <li>Leave for family reasons may be taken by a parent of such a child if no other childcare options are available.</li> <li>If necessary, parents may alternate taking leave for family reasons. If so, each parent must send in a separate form.</li> </ul> <a href="#">LINK</a>	<ol style="list-style-type: none"> <li>The parent must inform his or her employer about the leave as soon as possible by indicating the beginning and the end of the period.</li> <li>The form must be completed (period does not have to be mentioned on the form, only mentioned to employer).</li> <li>The form must be sent to the employer and to the CNS once per parent taking the leave. If the leave is split - taken several times over a longer period of time - the parent is not required to send a new form each time. The first form is sufficient.</li> <li>For employers only: informing CNS about the actual days taken off by employee.</li> </ol> <a href="#">LINK</a>	N/A	<a href="#">LINK</a>
INFORMATION - THIRD-COUNTRY NATIONALS	THE MINISTRY OF FOREIGN AND EUROPEAN AFFAIRS	Specific measures for third-country nationals currently in Luxembourg	<a href="#">LINK</a>	MORE INFORMATION TO COME			
SHORT-TIME WORKING IN THE EVENT OF FORCE MAJEURE	MINISTRY OF THE ECONOMY - ECONOMIC COMMITTEE NATIONAL EMPLOYMENT AGENCY (ADEM) <a href="#">LINK</a>	Support measure for businesses that can no longer carry out their activity due to the occurrence of an external event beyond their control. Sole proprietors cannot apply at the moment, to be noted. There are currently two procedures. The "standard" one is subject to the use of the normal form, that can now be sent by email at <a href="mailto:emploi@eco.etat.lu">emploi@eco.etat.lu</a> . Please note that two separate forms must be sent, for both March and April no later than March 20th if applicants want to have their applications checked on the 23rd (economic committee to be held).	<a href="#">LINK</a>	<p>The short-time working scheme in the case of force majeure can be applied to employees who are not covered by a certificate of incapacity for work and who can no longer be employed at all or can no longer be employed on a full-time basis:</p> <ul style="list-style-type: none"> <li>when the company cannot ensure the continuation of its normal economic activity, while the supplier of raw materials can no longer deliver or no longer provide the necessary volume for reasons related to the coronavirus, or if there is a significant drop in demand from customers or users due to the coronavirus.</li> <li>if, due to absences of staff caused by external decisions related to the coronavirus, a company cannot continue its normal economic activity, or if, in the same context, one or more departments of the company are completely at a standstill.</li> </ul> <p>It applies in principle to all economic sectors where the causes are directly related to the coronavirus.</p>	<p>In order to apply for the scheme, a written request must be submitted by the employer or their representative, at the latest on the occurrence of the facts, and without having to take account of the normal period of introduction, to the secretariat of the Economic and Social Committee (Comité de conjoncture) at the Ministry of Economy by means of a special dedicated form which must be signed by the president of the delegation of staff or their representative or, if there is no staff delegation, by all the employees concerned.</p> <p>All applications for short-time work must be sent:</p> <ul style="list-style-type: none"> <li>by email to <a href="mailto:emploi@eco.etat.lu">emploi@eco.etat.lu</a> or</li> <li>by post to the following address: Ministère de l'Economie - Comité de conjoncture 19-21, boulevard Royal L-2014 Luxembourg</li> </ul> <p>The ministerial authorisations granted only cover one month of short-time work. After the initial application, a new application must be made before the 12<sup>th</sup> of each month.</p> <p>Any business making use of short-time working due to an event of force majeure undertakes not to make employees redundant for economic reasons.</p> <p>Please note that two separate forms must be sent, for both March and April no later than March 20th if applicants want to have their applications checked on the 23rd (economic committee to be held).</p> <a href="#">LINK</a>	N/A	Hotline for your questions regarding short-time work <a href="#">LINK</a>
SHORT-TIME WORK	MINISTRY OF THE ECONOMY - ECONOMIC COMMITTEE NATIONAL EMPLOYMENT AGENCY (ADEM) <a href="#">LINK</a>	Accelerated procedure for businesses directly affected by a government decision	<a href="#">LINK</a>				
MEASURES REGARDING THE CONDUCT OF GENERAL MEETINGS AND MEETINGS OF COMPANIES AND LEGAL PERSONS	N/A	Government measures to maintain good governance of companies and other legal entities	<a href="#">LINK</a>	N/A	N/A	N/A	Règlement grand-ducal du 20 mars 2020 portant introduction de mesures concernant la tenue de réunions dans les sociétés et dans les autres personnes morales. <a href="#">LINK</a>
SOCIALE SECURITY MEASURES FOR COMPANIES AND THE SELF-EMPLOYED <small>Temporary measures concerning social security contributions</small>	JOINT SOCIAL SECURITY CENTRE <a href="#">LINK</a>	Support measures allowing employers to manage their cash flow more efficiently	<a href="#">LINK</a>				
TAX RELIEF MEASURES	Given the current crisis resulting from the spread of the virus Covid-19, the government has decided to implement several tax measures in favour of legal persons (companies) as also natural persons. The main objective of these measures is to overcome the needs for financing and cash flows of the companies and self-employed persons ("independants") who are currently strongly impacted by the current economic constraints.						
DIRECT TAXES	LUXEMBOURG INLAND REVENUE <a href="#">LINK</a>	Cancellation of the advance payments due for the first semester of 2020	N/A	Legal persons (companies) and natural persons carrying out an activity generating a business/commercial profit, an agricultural or a forest-linked profit or a profit coming from a liberal profession, facing cash flow issues due to the Covid-19 pandemic, can make a simple demand to the Tax Authorities to cancel the tax advance payments for the two first quarters of 2020.  Solely when advance payments are due after February 29th!	How to proceed? You need to complete and sign the following form and send it (per mail) to the relevant Tax Authorities ("Bureau d'imposition"). The form only exists in French for the time being. The demand is automatically accepted by the Tax Authorities upon receipt. <a href="#">LINK</a>	Taxes covered: Corporate Income Tax ("Impôt sur le Revenu") and Municipal Business Tax ("Impôt Commercial/Communal")	<a href="#">LINK</a>
DIRECT TAXES	LUXEMBOURG INLAND REVENUE <a href="#">LINK</a>	4-month extension of the tax payment deadline	N/A	In addition to the above, the same persons can request a 4-month extension of the payment deadline for taxes due after February 29 <sup>th</sup> , 2020. The extended payment term will not induce any kind of late payment interests or fines.	How to proceed? You need to complete and sign the following form and send it (per mail) to the relevant Tax Authorities ("Bureau d'imposition"). The form only exists in French for the time being. The demand is automatically accepted by the Tax Authorities upon receipt. <a href="#">LINK</a>	Taxes covered: Corporate Income Tax ("Impôt sur le Revenu"), Municipal Business Tax ("Impôt Commercial/Communal") and Net Wealth Tax ("Impôt sur la Fortune")	<a href="#">LINK</a>
DIRECT TAXES	LUXEMBOURG INLAND REVENUE <a href="#">LINK</a>	Postponement of the tax returns filing deadline to June 30th, 2020	N/A	This measure is again applicable to all legal persons (corporates) and individuals. This new deadline is also to be taken into consideration by any taxpayer willing to request, amend or revoke its individual tax assessment method.			
INDIRECT TAXES	REGISTRATION DUTIES, ESTATES AND VAT AUTHORITY <a href="#">LINK</a>	Reimbursement of VAT credit balances of less than 10,000 EUR	N/A	Starting this week (16.03), the relevant Tax Authorities ("Administration de l'Enregistrement et des Domaines") will automatically reimburse all the credit balances in terms of VAT that amount to 10,000 EUR or less. It is estimated that this measure should be helpful for about 20,000 companies in Luxembourg.			
INDIRECT TAXES	REGISTRATION DUTIES, ESTATES AND VAT AUTHORITY <a href="#">LINK</a>	Administrative tolerance for VAT returns	<a href="#">LINK</a>				
CERTIFICATE FOR GERMAN CROSS-BORDER WORKERS	N/A	N/A	<a href="#">LINK</a>	N/A	<a href="#">LINK</a>	N/A	N/A
CERTIFICATE FOR FRENCH CROSS-BORDER WORKERS	N/A	N/A	<a href="#">LINK</a>	N/A	<a href="#">LINK</a>	N/A	N/A
CERTIFICATE BELGIUM FOR CROSS-BORDER WORKERS	N/A	N/A	<a href="#">LINK</a>	N/A	<a href="#">LINK</a>	N/A	N/A
GOVERNMENTAL SUPPORT MEASURES APPLICABLES FOR STARTUPS	MINISTRY OF ECONOMY <a href="#">LINK</a>	Ministry of the Economy launches call for projects to startups for innovative solutions to combat COVID-19	<a href="#">LINK</a>	Up to 20 projects will be selected, each of which will benefit from a financial support of up to €150,000. Selected projects should be developed and put on the market within a period of 6 months. Project proposals should be submitted on 30 April 2020 at the latest			
CORONAVIRUS COVID-19 ECONOMIC STABILIZATION PROGRAMME	LUXEMBOURG GOVERNMENT	N/A	<a href="#">LINK</a>				
LUX GOUVERNEMENT COVID-19 FAQ PAGE	N/A	N/A	<a href="#">LINK</a>	N/A	N/A	N/A	N/A
EUROPEAN COMMISSION - STATE AID, LUXEMBOURG	EUROPEAN COMMISSION	Commission approves €300 million Luxembourg scheme to support companies affected by coronavirus outbreak	<a href="#">LINK</a>				