COVID-19: Government Support Package

Belgium

June 2021

Building a better working world

Belgium - announced responses

Cash flow support: Tax and social security measures

- Payment deferral of VAT, income and payroll taxes for businesses **upon request** provided that these taxpayers were negatively impacted by the Corona
- Temporary payroll tax exemptions (night & shift work, employee education)
- VAT & WHT December advance payment abolished
- Payment deferral of or other alleviating modalities with regard to some regional taxes
- Lower VAT rate or no VAT for specific transactions
- Exemption import duties for medical protective gear & vaccines
- 'Tax shelter' – for audiovisual and performing arts – increased flexibility
- Different social security measures for both employers and self-employed persons
- Temporary lowering of VAT/excise duties statutory and default interests
- Tax incentive for rental income waiver
- Temporary increase of investment deduction
- Tax shelter for capital investments (SME's)

Employment support/HR

- Temporary unemployment benefits due to the coronavirus
- Tax impact on cross-border workers (DTT BE-France, DTT BE-Luxembourg, BE-Netherlands and BE-Germany) and employee benefiting from the "expat" special tax concessions
- Incentives aimed at facilitating Telework
- Incentives for crucial and vital sectors
- Special guides for return to work
- Additional measures for (critical) sectors

Liquidity, solvability and investments

- National Bank of Belgium - guarantee schemes for loans to individuals and companies affected by the corona
- Insurance companies to provide flexibility towards customers in payment difficulties and aim to maintain insurance coverage overall.
- Payment deferral for loan payments
- Loans for payment of commercial rent
- Different regional measures (i.e. guarantee schemes, loans, …)
- Carry-back of 2020 year losses
- Reconstitution reserve

Other supporting measures - grants

- Flexibility with regard to deadlines or conditions for support measures and subsidies
- Growth subsidy & strategic transformation support
- Advisory and mediation support

Cash flow support - Tax and social security measures

Cash flow support: Federal Government tax payment deferrals, payroll tax exemptions and December advance payment

Both for direct and indirect taxes the Federal Government has granted a deferral of payment of taxes upon request. This applies to CIT, PIT, Legal entity taxation, WHT and VAT

The recovery of so-called 'corona debts' is temporarily suspended

A payroll tax exemption is granted for companies granting additional training hours

The payroll tax exemption for night & shift work is maintained for companies forced to apply social distancing rules

The payroll tax December advance payment is permanently abolished in order to strengthen the liquidity position of companies at year-end

Payment deferral upon formal request (CIT, PIT, VAT, Payroll tax, legal entity taxation)

- Businesses, i.e. individuals and legal entities with a Belgian company number (registered at the Crossroads Bank for Enterprises "CBE"), regardless of their activity, experiencing financial difficulties due to Covid-19

In practice:

- Upon formal request, to be filed as from the assessment or payment notice
- Payment deferral can be requested until the end of the 30 September 2021
- Request possible for (i) payment plan, (ii) waiver of late payment interests and (iii) waiver of administrative penalties due to late payments

Suspension for 'corona debts'

. Fiscal & non-fiscal debts emerged as of 1/1/2020

. Suspension until 30 June 2021

. ≠waiver of debts nor of late payment interests

. Request for payment plan in case debts cannot be paid timely (see above)

Payroll tax exemption – Employee training

. Employers attributing more training hours to their employees than regulatory prescribed

In practice:

. if an employee, during an uninterrupted period of 30 calendar days, follows training of at the least 10 days, an amount of 11,75 % of the employee's remuneration will not have to be paid to the treasury

. Applies as of 1/1/2021

Payroll tax exemption – night & shift work

. Tax authorities apply tolerance for companies that made use of the payroll tax exemption for shift work prior to the COVID-19 outbreak and that were forced to implement social distancing regulations, resulting in a short interruption between 2 shifts

Payroll tax – December advance payment

. Annual obligation for advance payment of professional WHT is permanently abolished

. Measure applied to companies making annual professional WHT payments in excess of € 2.500.000

For more information

Olivier Van Bauwel (Direct tax)
Olivier.van.bauwel@be.ey.com
Office: +32 2 774 9314

Jan Van Moorsel (Indirect tax)
Jan.Van.Moorsel@be.ey.com
Office: +32 3 774 9377

Hendrik Serruys (Professional WHT)
Hendrik.Serruys@be.ey.com
+32 3 270 1468

Cash flow support: Federal Government VAT & Import duty measures

6% VAT rate applies to the delivery, intra-Community acquisition of medical protective gear and vaccines

The import of the latter goods if totally exempt from VAT and import duties

The 6% rate applies also to restaurant and catering services

The VAT December advance payment is permanently abolished in order to strengthen the liquidity position of companies at year-end

Statutory late payments and default interests for VAT and excise duties temporarily lowered

Medical protective gear – reduced rates

- 6% VAT rate applies to the delivery and intra-Community acquisition of medical protective gear (mouth masks and hand sanitizer gels) until 31 December 2021.
- 0% VAT rate applies for COVID-19 vaccines and medial supplies used for in-vitro diagnostics against the disease. The 0% rate applies as from 1 January 2021 up to 31 December 2022

Goods imported in the fight against COVID-19

- Until 31 December 2021 the import of both medical protective gear and vaccines remains exempt from VAT and import duties.
- With regard to the import of mouth masks and hand sanitizer gels this total VAT exemption has priority over the 6% reduced VAT rate

Restaurant and catering services and cafes - VAT rate of 6%

- General reduced VAT rate of 6% on restaurant and catering services (incl. the provision of drinks without meals)
- As from 8 May until 30 September 2021

VAT – No December advance payment

- Annual obligation for advance payment of VAT is permanently abolished
- This applies both for the advance payments relating to quarterly and monthly VAT returns with regard to the covered period at year-end.
- No request required

VAT & excise duties – Statutory & default interests

. During the period of 1 April up to 30 June 2021, the statutory interest rate for late payment and default (moratorium) interests are aligned with the rates applicable in income taxation

. The 4% rate will apply for late payment interests and the 2% rate will apply for default (moratorium) interests

. VAT penalty for late payments lowered from 15% to 10%

.Applies as of 1 April 2021

For more information

Jan Van Moorsel
Jan.Van.Moorsel@be.ey.com
Office: +32 3 774 9377

Cash flow support: Federal Government tax prepayments (ITR relevance TY 2021)

Companies and self-employed individuals affected by the Covid-19 outbreak are likely to have insufficient liquidity to make advance tax payments

The government decided to amend the current prepayment regime by increasing the bonification of the third and the fourth quarter of the financial year

This results in a reduction of the penalty for postponing prepayments to the second half of the year

Special anti-abuse measures apply

Companies with a financial year-end per 31 December 2020 and self-employed individuals

- Increased bonification percentages in the third quarter and fourth quarter

In practice – tax credit rates

- Companies:
  Q1 9.00%
  Q2 7.50%
  Q3 **6.75% (instead of 6%)**
  Q4 5.25% (instead of 4.5%)
- Self-employed persons:
  Q1: 3%
  Q2: 2.5%
  Q3: 2,25% (instead of 2%)
  Q4: 1.75% (instead of 1.5%)

- No application of this measure for companies making a capital reduction, distributing a dividend, performing a share buy-back or , having made any variable remunerations to chief executives and other leading executives or representatives charged with the executive management between 12 March 2020 and 31 December 2020.

Companies with a financial year deviating from the calendar year

- Increased bonification percentages with respect to the third and the fourth quarter for companies with a financial year ending per 30 September 2020 up to 31 January 2021

In practice – tax credit rates

- Companies:
  Q1 9.00%
  Q2 7.50%
  Q3 **6.75% (instead of 6%)**
  Q4 5.25% (instead of 4.5%)
- Self-employed persons:
  Q1: 3%
  Q2: 2.5%
  Q3: 2,25% (instead of 2%)
  Q4: 1.75% (instead of 1.5%)

- No application of this measure for companies making a capital reduction, distributing a dividend, performing a share buy-back or having made any variable remunerations to chief executives and other leading executives or representatives charged with the executive management between 12 March 2020 and the last day of their respective taxable period

Anti-abuse measure for companies

- Do not qualify for these increased bonification rates, companies who - in the period of 12 March 2020 and the last day of their respective taxable period
  - made payments of at least 100.000 EUR to tax havens (unless these payments can be justified by valid business reasons);
  - directly hold a share participation in a company located in a tax haven

For more information

Olivier Van Bauwel (BTA)
Olivier.van.bauwel@be.ey.com
Mob: +32 497 597 058

Cash flow support: Federal Government – Other tax measures

A tax benefit applies to individuals and companies, both resident and non-residents, having voluntarily renounced to rental income during the period of March up to May 2021

Various COVID-19 compensations granted by regional, provincial or communal levels are tax exempt

Rental income waiver

. In personal, corporate and non-residents income taxation the government introduces a tax incentive (tax reduction or tax credit) for taxpayers having voluntarily (entirely or partially) renounced to rental income during the period of March up to September 2021

In practice:

. Tenants forced to close as a result of COVID-related sanitary decisions taken by the Federal government.

. Tenants are either self-employed as a primary activity or SME's.

. Applies also to real estate put at the disposal within the framework of e.g. a ground lease or a brewery contract.

. In case the rent is paid in quarterly, half year or annual installments a pro rata rule applies.

. The tax reduction amounts to 30% of the remitted rental income up to € 5k per month per rental agreement with a maximum of € 45K per taxpayer for all rental agreements.

- In CIT a similar measure applies, be it that it takes the form of a tax credit and that companies benefiting from a special tax regime, such as regulated RE companies, can also make use of the measure
- Art. 344, §1 ITC92 applies to e.g. the situation whereby the remittance of rental income during the applicable period would be compensated afterwards via a non-justifiable increase of the rent.

Tax exemption Covid compensations

Compensations granted by regional, provincial or communal levels are tax exempt.

Measure extended up to 31 December 2021

For more information

Olivier Van Bauwel
Olivier.van.bauwel@be.ey.com
Mob: +32 497 597 058

Cash flow support: Federal Government – Other tax measures

The tax shelter is tax incentive to encourage the production of audiovisual works and performing arts in Belgium. The conditions to fulfill the requirements of this tax incentive are be eased mainly by extending the expenditure periods

With regard to the interest deduction limitation rule, a circular letter clarifies the impact of COVID-19 related payment modalities on grandfathered loans

A circular letter clarifies the treatment of the impairment of trade receivables in the context of COVID19

The 2021 annual corporate contribution is postponed

The 'Tax shelter' initiative

- Both for the audiovisual sector and performing arts the government allows more room for fulfilling the requirements and have extended the expenditure periods

In practice a.o.

- Audiovisual sector:
  - current term of 18 months extended with 12 months
- Performing arts:
  - current 24-month period extended with 12 months
  - Performing arts that are exclusively shown by means of live streaming are also eligible for tax shelter financing
- Proof by the producer of a direct link between corona measures of the government and the impossibility to make the expenditures within the 'normal' period.
- Further to the second Corona wave, a second modification to the type of eligible work described in the signed frame-work agreement is allowed.
- Measure extended until 30 September 2021

Interest deduction limitation regime – Grandfathered loans

- Addendum to Circular letter regarding grandfathered loans clarifies that the granting of specific payment modalities further to the COVID-19 outbreak will not be regarded as an important or fundamental modification

In practice

- For loans concluded before 17 June 2016 this means they remain subject to the 5:1 thin capitalization rules in case COVID-19 related payment modalities are granted

Impairments of trade receivables - Circular letter

- Circular letter confirms that the COVID-19 crisis can be considered as an exceptional circumstance, justifying the tax exemption for impairments of trade receivables for corporate income tax purposes

In practice

- Impairment on trade receivables are only tax deductible if it can be demonstrated that they are well defined and probable based on the facts and circumstances.
- The circular letter states that the COVID-19 crisis can be effectively considered as a justification for such impairments

Annual corporate contribution

- The payment of the 2021 corporate contribution for the financing of the social status of the self-employed is deferred 31 December 2021

For more information

Olivier Van Bauwel
Olivier.van.bauwel@be.ey.com
Office: +32 2 774 9314

Cash flow support: Federal Government - Other tax measures (some measures ITR relevance TY 2021)

Next to the measures to increase the liquidity and solvability of businesses, the Belgian Government agreed on tax measures to crank up the investments in businesses suffering from the economic fallout of the COVID-19 outbreak

A specific Corona tax shelter for capital investments in SME's

The on-time increase of the existing investment deduction is extended until 31 December 2022

Other measures related to the tax deductions for certain donations made in 2020 but of which the tax treatment remains relevant for the Tax return of TY 2021

Tax shelter for investments in SME's extended to SME's affected by COVID-19 outbreak

- Existing Tax shelter (tax reduction) for investments in start-ups and scale-ups broadened and becomes applicable for direct capital investments in SME's affected by the COVID-19 outbreak
- Not necessarily investments in a starter or scale-up
- SME has suffered a decrease in turnover of at least 30% during the period of 2 November 2020 up to 31 December 2020 compared to the same period of the previous year. For start-ups comparison is to be made with the projected turnover according to the financial plan
- Total amount of investments capped at € 250K and applies to investments in shares paid in full by no later than 31 August 2021.
- Tax reduction amounts to 20% of the qualifying amount (with a maximum of € 100K). A minimum holding period of 5 years applies in order to avoid a tax increase
- From the regime are excluded companies holding direct participations in companies residing in tax havens as well as companies making certain payments to tax havens
- Various types of companies excluded: real estate co's, management co's, ...

Investment deduction

- One-time increase of deduction percentage up to 25% applies for fixed assets obtained or established between 12 March 2020 and 31 December 2022
- A 2-year carry forward for fixed assets obtained or established as from 1 January 2019 until 31 December 2021

Deduction of professional costs

- Catering costs relating to events are made deductible for 100% instead of only 50%
- The measure applied to costs made or borne during a period from 8 June up to 31 December 2020

Donations in kind by companies and self-employed individuals

The general cost deduction provision (art. 49 ITC) will allow the deduction of costs made for the donation of computers to schools.

The donated goods do not necessarily need to be obtained (or produced) in the context of the professional activity of the donator

In practice

- The measure applied on donations made between1 March 2020 up to 31 December 2020

Donations in kind by private persons and self-employed individuals

The specific tax reduction for donations in cash is extended to donations in kind of computers up to 60% instead of the usual 45% of the value of the donated goods

In practice

Specific conditions apply

- The donor should be subject to personal income taxation (or non-resident income taxation provided the non-resident obtains at least 75% of his professional income in Belgium) and the donated goods may not be obtained or produced in the context of the professional activity of the donor
- Donations of computers should be made to schools. The measure was extended up to 31 December 2020
- Valuation based on invoice price or specific valuation in the absence thereof

Olivier Van Bauwel
Olivier.van.bauwel@be.ey.com
Mob: +32 497 597 058

Cash flow support: Federal Government - Social security measures

Both for employers and self-employed individuals the Federal government has introduced supporting measures in the field of social security

Employers – Payment plan

. Amicable repayment plan for employer contributions (mainly annual vacation contributions for years of service 2019 and 2020, social security contributions for Q1-4 of 2020 and Q1 & 2 of 2021)

. Mainly for businesses that were forced to close due to Covid sanitary measures

. Duration up to 24 months

. Term of repayment based on periods or forced closure and restart perspectives

. In case the plan is strictly executed, no additional contributions or interests to be paid

. Applicable until 30 September 2021

Employers social security contributions

- Employees in so-called critical sectors are granted an additional 120 hours overtime, on top of the existing 100 hours, totaling 220 hours that will be paid as net income
- 120 hours overtime salary payments are exempt from payroll tax and social security contributions
- Applicable until 30 September 2021

Self-employed – various measures

. For self-employed individuals, depending on the their situation further to Covid-19 sanitary measures various compensatory actions are foreseen in the field of social security, such as:

. 'Bridging right 2021' (overbruggingsrecht/ droit passerelle) further to a significant decrease in turnover (at least 40% compared to previous reference year) (extended until 30 September 2021)

. 'Double Bridging right 2021' due to forced closure (extended until 30 September 2021)

. 'Bridging right 2021' due to forced cessation of activity further to quarantine or care for a child

. Classic bridging right (eased) for other situations (bankruptcy, economic difficulties, forced closure further to a decision of a third party economical actor,..)

. Deferral of payment up to 12 months for social security contributions

. Request for waiver of increases relating to provisions social security contributions

. Request for reduction of provisions social security contributions

Self-employed – various measures (cont'd)

. Request for exemption of payment of provisional or 'adjustment contributions' (regularisatiebijdragen/cotisations de régularisation)

. Repayment plan

. Additional financial support in case of illness or incapacity for work

Employers social security contributions (announced)

. Employers 'reactivating' temporary unemployed employees will benefit a reduction of the social security contributions

. Applicable on all sectors

. During 3rd quarter 2021

. Increased reduction for sectors forced to close further to sanitary measures

For more information

Hendrik Serruys
Hendrik.Serruys@be.ey.com
+32 3 270 1468

Cash flow support: Regional Government measures – Flemish, Walloon and Brussels region

On the various regional levels (Flemish, Walloon and Brussels Capital) tax related measures were in place to both support cash flow for businesses and individuals as well as to alleviate the administrative and procedural burden that such taxes may bring along for the taxpayers experiencing difficulties related to the outbreak of the COVID-19 crisis

Although most measures have expired in the meantime, some are still available

Automated entertainment devices (Flemish region)

. Since reopening of the catering industry as of 8 May is only partial, automated entertainment devices will not be in use

. No online registration required during 2nd quarter of 2021

. As of 3rd quarter taxes will again be due and all relating tax obligations will be applicable

Various regional taxes (Walloon region)

3 measures are put in place from 1 March 2021 – 30 June 2021 for various regional taxes a.o.: Real estate tax, Traffic taxes, KM-tax, Taxes on automated entertainment devices

- Payment plan
- Waiver of late payment interest
- Limitation of forced tax recovery (judicial executor)

Brussels Capital Region:

- City tax (hotels) exemption extended up to 30 June 2021

For more information

Olivier Van Bauwel
Olivier.van.bauwel@be.ey.com
Office: +32 2 774 9314

2

Liquidity, solvability & investments

Liquidity and solvability: Loss carry-back (ITR relevance - TY 2021)

The Belgian legislator foresaw a so-called 'fiscal bazooka' to boost the liquidity and solvability position of businesses-suffering from the economic fallout of the COVID-19 outbreak,

The package consists of two measures: a carry-back of losses (2020) and a special recovery reserve allowing companies to fiscally exempt future profits to the amount of losses incurred in 2020

Carry-back of losses of 2020

- Both for companies and self-employed individuals, it would be possible to impute expected losses of the current taxable period on the taxes due relating to profits of the previous taxable period

In practice - Self Employed

- For self-employed persons, the measure would take the form of a new exemption for possible losses of income year 2020, which in practice is considered as an anticipated loss deduction (new economic exemption)
- Not applicable to self-employed taxed on lump-sum taxable basis
- Technically, taxpayers who claim the exemption for TY 2020 (income year 2019) will need to take back the exemption next year (TY2021) so as to entirely (or partially) neutralize the loss
- In the absence of a loss or if the loss is less than the exemption, a tax increase will apply

In practice - Companies

- Companies may also apply for a temporary exemption of CIT for part (or the entirety) of the result of the taxable period for TY 2019 or 2020 that relates to the accounting years closed in the period between 13 March 2019 up to and including 31 July 2020
- A special tax form as an annex to the tax return is available (275 COV)
- Exempted amount may not exceed the result of the taxable period nor an amount of € 20mio
- Companies that have already paid CIT for the tax years targeted by this measure, prior to the entry into force thereof, may file an administrative appeal. In other cases a request for a modification of the tax return is allowed. In case the latter has not been filed yet, the exemption will be claimed in the tax return
- In practice a temporary exempted reserve will be deducted from the total amount of reserved taxable profits at the end of the taxable period closed in the period between 13 March 2019 up to 31 July 2020. As a consequence, companies will pay no (or less) CIT for TY 2019 or 2020 or part of the paid taxes may be repaid
- In case prepayments were already made then repayment is promised to follow quickly

- Whereas the system aims at introducing a (limited) carry-back, specific and complex anti-abuse provisions apply for excess exemptions
- Tax exempt amount for TY 2019 (2019 or 2021) and the loss of taxable period 2020 (or 2020 or 2021) should correspond as close as possible. A tolerance of 10% applies
- A difference in excess of 10% of the estimated/exempted loss and effective loss will be sanctioned with a special assessment

Excluded companies:

- Companies performing payments (or attributions) of dividends, share buybacks or capital reductions in the course of the taxable periods relating to tax year for which the exemption was requested
- Some types of companies excluded (a.o. Investment companies, cooperative participation companies, companies subject to the special tax regime for shipping companies, real estate investment companies,...)
- Companies holding shares of or making payments in excess or € 100k (except if supported by economic reasons) to companies in tax havens

Peter Moreau
peter.moreau@be.ey.com
+32 2 774 91 87
Olivier Van Bauwel
Olivier.van.bauwel@be.ey.com
Mob: +32 497 597 058

Liquidity and solvability: Reconstitution reserve

The Belgian legislator foresaw a so-called 'fiscal bazooka' to boost the liquidity and solvability position of businesses-suffering from the economic fallout of the COVID-19 outbreak,

The package consists of two measures: a carry-back of losses (2020) and a special recovery reserve allowing companies to fiscally exempt future profits to the amount of losses incurred in 2020

COVID-19 'Reconstitution reserve'

- Companies allowed to create a special reserve corresponding to the amount of losses suffered in 2020 with a maximum of € 20mio
- Applies for 3 consecutive taxable periods relating to tax years 2022, 2023 and 2024
- Subject to conditions of not reducing the equity position as well as maintaining 85% employment related costs

In practice

- Tax exempt reserve limited to the accounting loss at the end of the financial year 2020
- The reserve can be built up at the end of the accounting years relating to tax years 2022, 2023 or 2024
- The reserve is subject to the intangibility condition, meaning that the reserve may become taxable ultimately at the occasion of a liquidation of the company, or use of the reserve (such as distribution)

Excluded companies:

- Companies making payments to companies located in tax havens (unless supported from an economic perspective and unless they do not exceed 100k€) or having share participations in companies situated in tax havens
- Companies performing a capital decrease, a share buy-back or paying dividends in the period from 12 March 2020 until the day of filing the tax return relating to a tax year in which a reserve is built up.
- To the extend a company that has built up a recovery reserve would pay dividends, decrease capital or performs a share buy-back, this will lead to a total or partial taxation of the previously recorded reserves.
- Investment companies, cooperative participation companies, companies subject to the special tax regime for shipping companies, real estate investment companies, …

Peter Moreau

peter.moreau@be.ey.com

+32 2 774 91 87

Olivier Van Bauwel

Olivier.van.bauwel@be.ey.com

Mob: +32 497 597 058

Liquidity and solvability: Payment deferral & 2nd Guarantee scheme for loans – Measures taken by insurance sector

To safeguard funding for families, the self-employed individuals and non-financial businesses, the federal government, on the initiative of the Finance Minister and with the support of the National Bank of Belgium, has concluded agreements with the financial sector for on the one hand additional payment deferral as well as a second guarantee scheme for new loans

The first guarantee scheme was applicable until 31 December 2020. The second scheme until 31 December 2021

Insurance companies to provide flexibility by maintaining insurance coverage

Payment deferral (2021)

Who is eligible?

- All non-financial businesses
- SME's
- self-employed individuals
- Non-profit organizations

What does it cover?

Corporate loans

- No repayment of capital (interest remains)
- Deferral until 30 June 2021
- Businesses situated in Belgium
- Businesses:
    - of which turnover has decreased or is expected to do so
    - making use of temporary unemployment
    - forced to close
- Granted delay for both the 2020 and 2021 deferral may not exceed 9 months
    - Exception for healthy businesses – additional payment deferral on top 9 months

2nd Guarantee scheme

- Activation of a 2nd guarantee scheme for new loans to Belgian non-financial businesses, self-employed and SME's
- In total €10 billion of State guarantees for specific SME loans with a duration of more than 12 months up to a maximum of 60 months
- Loans concluded up to 31 December 2021

Continued insurance coverage

Who is eligible?

- Individuals temporarily unemployed due to Covid-19 sanitary measures
- Companies affected by the Covid-19 crisis

What does it cover?

For individuals & their employers:

- Pension, death, disability and hospitalization under group insurance (contracted by employers):
- Risks remain covered by insurance during entire period of temporary unemployment
- Until 30 June 2021

For companies:

Normal rules apply in case of payment difficulties with respect to group insurance premiums

In the later case companies need to contact pension institution and FSMA

For more information

Peter Suykens
Peter Suykens@be.ey.com
Tel: +32 473 730 262

Philip Peerens
Philip.peerens@be.ey.com
Tel: +32 486 955 799

Liquidity and financing - Regional Measures – Flemish Government

The COVID-19 crisis has forced all Belgian federated regional governments to take supporting measures.

These measures are meant to directly provide for financial aid or breathing space for affected sectors and businesses or increase their solvability.

At the Flemish level aid is provided by the Flanders Participation Company (FPC)

Subordinated loans over three years by FPC

- In addition to the so-called short term 'bridging loans' at Federal level

In practice

- Aimed at 'healthy and viable' SME's and start-ups/scale-ups with need for financial support as a direct consequence of Covid and sanitary measures relating thereto
- In case they employ, aiming at bringing effective employment to a minimum of 80% of their workforce or keep their workforce at work in the short term
- Loans for an amount of € 25.000 up to € 2.8 Mio at a deferred interest rate varying, depending on certain loan brackets of 3 - 4.5% (SME) or 3 – 6% (Start-ups/scale-ups).
- Qualifying companies can apply for the support up to 15 October 2021

COVID-19 guarantee from Gigarant

- Increase of the guarantee capacity of the 'Gigarant guarantee scheme ' (€3 billion instead of €1,5 billion) by FPC

In practice

- Guarantee for a max. period of 6 years for loans of €1.5 mio minimum
- For SME's and large companies, not in difficulties prior to 31 December 2019
- Reduction of the cash premium compared to the current Gigarant premium
- Covid-19 guarantee scheme is complementary to the federal guarantee scheme. Financing applications eligible for the federal guarantee scheme must make use of this scheme. In addition, an appeal to the Flemish COVID-19 guarantee is possible. Therefore, the same financing cannot benefit from a double deposit guarantee; however, a federal deposit guarantee for a financing does not exclude a Flemish deposit guarantee for an additional financing.
- Employment engagement required
- Guarantees may be requested up to 15 October 2021

Advance payment of commercial rent

- For Businesses forced to close and event sector experiencing serious difficulties to pay commercial rent
- FPC to pay a max. of 4 months rent upfront with a max. of € 60K per building, provided that the lessor cancels at least 1 months rent

In practice

- FPC grants a loan for 2 years of € 150.000 max. for all buildings of 1 requestor.
- Interest rate of 2%.
- Businesses may apply for support until 30 June 2021

For more information

Peter Suykens
Peter Suykens@be.ey.com
Tel: +32 473 730 262

Philip Peerens
Philip.peerens@be.ey.com
Tel: +32 486 955 799

Liquidity and financing - Regional Measures – Flemish region

The COVID-19 crisis has forced all Belgian federated regional governments to take supporting measures.

These measures are meant to directly provide for financial aid, breathing space for affected sectors and businesses or increase their solvability.

At the Flemish level aid is mainly provided by the Flanders Participation Company (FPC)

Wealthfund

- Created by PMV to activate savings and to allow both institutional investors as well as individuals to invest in this fund
- Fund will invest in capital, hybrid products and subordinated loans with a duration of 4 - 7 years in intrinsically viable businesses (start-ups and scale-ups, SME's and large companies) that act sustainable, ethical and innovative and have a close connection to Flanders

In practice

- Operational modalities of the Wealth fund are currently being further prepared by PMV

Flemish protection mechanism 7, 8 & 9

- For Businesses that, due to the measures enforced by the government have experienced a loss of turnover of at the least 60% during the months of April up to June 2021 (7,8 &9)

In practice

- Premium of 15% of the turnover during the reference period in 2019
- For the 8 & 9 mechanism the premium is limited to 10% of the turnover with limited to €7.5k - €40K depending on the number of employees
- Percentage limited to ½ for self-employed with secondary activity

Win-Win loan - Extension

- A subordinated loan by individuals (incl. small shareholders with a max. of 5% of the shares) to finance investments and working capital to Flemish SME or self-employed start-ups
- Individuals can grant a loan up to € 75K (instead of € 50K) in exchange for an annual tax credit of 2.5% on the outstanding capital of the Win-Win loan
- Loans with a fixed duration of 5 up to 10 years and only for loans concluded after 6 October 2020.
- Companies can receive a maximum amount of €300K (instead of €200k)
- Loan period of at least 5 years, with a maximum of 10 years
- Max. interest rate for 2021concluded loans between 0.875% and 1,75%
- Government guarantee by means of a one-time tax credit up to 40% (instead of 30%) in case the loan cannot be repaid, only applicable for loans concluded after 15 March 2020 until 31 December 2021 at the latest
- Win Win loans, ending in 2020 can be extended for a maximum of 2 years.

For more information

Peter Suykens
Peter Suykens@be.ey.com
Tel: +32 473 730 262

Philip Peerens
Philip.peerens@be.ey.com
Tel: +32 486 955 799

"Friend share"

- Similar to the Win-Win loan a capital injection to befriended business is possible in exchange for a similar tax benefit
- Cumulation of Win-Win loan and Friend share possible up to the same amounts
- Payment in full of the shares up to max. of € 75K only as of 11 February 2021
- Max. of € 300K per company (loan & shares combined)
- Tax benefit of 2,5% for a 5-year period
- Restrictions with regard to capital decreases and dividend distributions

Liquidity and financing - Regional Measures - Walloon region

The COVID-19 crisis has forced all Belgian federated regional governments to take supporting measures

These measures are meant to directly provide for financial aid or breathing space for affected sectors and businesses

Walloon region

- Extraordinary Crisis Fund of €350 million
- The regional investment vehicles SOWALFIN, SOGEPA and SRIW will provide a response to companies in cash flow difficulties through bank guarantees or loans, and this in close consultation with the banking sector

Walloon region

. Compensation premiums for affected businesses in certain sectors (catering, hotel business, bussing companies, businesses forced to close,…) during 2nd quarter

. Specific financial support measures for a.o. cultural, sports, social and health sector

. Springboard 24 months+ ('Tremplin 24 mois+) aid for employers of certain sectors engaging job-seekers for long duration (+24 months) – subsidy of € 1000/trimester

. 'Ricochet Relaunch loan' (prêt Ricochet Relance): loan of max. € 100K for independent workers and SME's facing liquidity issues further to Covid-19

Walloon region

SOWALFIN guaranties:

- up to 50% on existing credit lines with banks and this for €500.000
- up to 75% on increases of existing credit lines
- up to 75% on new short term credit lines

SOGEPA:

- issues credits equivalent to bank loans in order to face up to the deadlines of businesses in the short term
- secures public guarantees of bank loans up to 75%
- sustains direct credit support up to €200.000 to counter immediate cash issues

SRIW:
Extension of the 'GELIGAR guarantee scheme' for non-SME's:

- 75% automatic guarantee up to €2.5Mio for existing short term bank credit lines for companies affected by COVID-19
- Equal guarantee for increases of such credit lines

For more information

Peter Suykens
Peter Suykens@be.ey.com
Tel: +32 473 730 262

Philip Peerens
Philip.peerens@be.ey.com
Tel: +32 486 955 799

Liquidity and financing - Regional Measures - Brussels region

The COVID-19 crisis has forced all Belgian federated regional governments to take supporting measures.

These measures are meant to directly provide for financial aid or breathing space for affected sectors and businesses.

Financial support

- €20 million support for cashflows of affected business' by granting government guarantees (via the Brussels Guarantee fund) for bank loans (in addition to the Federal guarantee schemes)
- A delegated assignment for "Finance & Invest.Brussels" agency with the possibility to grant loans at a lowered interest rate.
- Guarantee free loans of € 75K up to € 600K with a duration of 5-7 years for businesses in Brussels employing more than 10 FTE's or important suppliers of the catering industry
- Moratorium on the repayment of loans granted by "Finance & Invest.Brussels" for affected companies of 24 months max.
- Only for businesses not already in financial need prior to 2020.

'Proxi loan'

- Similar to Flemish 'Win-Win-loan' and Walloon 'Pret coup de pouce'
- Mobilization or personal savings from individuals
- Loans granted to an SME by an individual (any or related parties such as family member of business owner

In practice:

- Credit up to € 250.000
- Fixed term of 5-8 years
- Interest rate to be determined by Brussels decree
- Individual receives tax credit

'Tetra+ premium'

. Compensation premium attributed per establishment unit (5 max. per business) varying depending on the number of FTE's and the loss in turn-over

. Restaurants, cafes, tourist accommodations, event, cultural, sports and tourist sector, but also transport of individuals sector

. Requests can be filed until 30 June 2021

For more information

Peter Suykens
Peter Suykens@be.ey.com
Tel: +32 473 730 262

Philip Peerens
Philip.peerens@be.ey.com
Tel: +32 486 955 799

Employment support/HR

Page 20

Employment support/HR - Temporary unemployment benefits due to the coronavirus

A specific "corona temporary unemployment regime" was put in place in the course of 2020.

The regime was extended until 30 September 2021.

Who is eligible?

- All employees can qualify for temporary unemployment benefits, irrespective of their employment (no requirements with respect to prior employment for a specified period).
- The temporary unemployment must be due to "force majeure" following the covid-19 crisis.

Practicalities

- The amount of the temporary unemployment benefit is 70 % of the last monthly salary (the salary is capped at 2754.76 EUR).
- On top of this temporary unemployment benefit, a supplement of 5.63 EUR a day (paid by the National Employment Service - RVA/ONEM)
- A lower professional withholding tax rate of 15% applies to the unemployment benefits.
- The temporary unemployment for economic reasons remains applicable in case the conditions for temporary unemployment for force majeure are not met.

"Force majeure"

- For instance, sectors that are closed, or that are partially closed, can benefit from this regime: Travel organizations, event organizers, aircraft construction companies, touring car and taxi sector, air travel companies, etc.
- Also other companies in other sectors can benefit from this.
- The examples provided by the administration related to "force majeure" include "companies which (partially) close because they do not have teleworking tasks for (all) their workers and who cannot respect the social distancing measures in the exercise of the work and in the transport which they organize (for example, construction companies)." Are also included, Belgian companies that have to stop their production process and can thus no longer employ their employees because some of their suppliers do not supply any more.

Supplement to the temporary unemployment benefit

Employers can grant their employees a supplement on top of the unemployment benefit they receive. This supplement can be granted free of social security contributions provided that the general principles that apply to such supplements are respected. This means that granting a supplementary allowance to an employee may not result in the employee receiving more net salary compared to a period of normal employment. Consequently, it is important to have a correct overview of all the employee's income such as any supplements granted by a Welfare Fund. It is recommended to start from the gross taxable amounts for the calculation of the maximum supplement you would grant as an employer.

For more information

Hendrik Serruys
Hendrik.Serruys@be.ey.com
+32 3 270 1468

Karla Vuyts- EY Law
Karla.Vuyts@be.ey.com
+32 496 507 424

Employment support/HR - Telework

One of the measures from the federal government to counter the covid-19 virus is telework. Homeworking remains mandatory until 9 June 2021 for all employees who can perform their tasks via telework.

For the employees who cannot perform telework, social distancing and prevention measures must be taken at the workplace.

As of 9 June 2021 employees can return to the office for maximum one day per week and as of 1 July 2021 telework will no longer be mandatory, but will remain recommended, of course, subject to the evolution of the pandemic.

Who is eligible?

- Telework measures are applicable to both employees and directors

Support measures

- *Providing IT material and internet by the employer*: If employees are also allowed to make personal/private use of this free provision, a flat-rate benefit in kind will be charged (PC: 72 euros/year, internet: 60 euros/year), subject to social security and taxation.
- *Work at home allowance:* to compensate for costs other than the internet (incl. costs for electricity, heating, purchase of office equipment,…) If a minimum of 5 days per month are worked from home a maximum of € 129.48 (as of 1 April 2020) per month can be granted free of social security and tax as a cost proper to the employer.
- Tax exempt monthly home working allowance of €129,48 up to €144,41 and this for the period of 1 April 2021 until 30 September 2021. In a circular letter the tax administration also decided to apply this lump-sum allowance as a general measure, regardless of the COVID-crisis

Support measures

- *Reimbursement of the private PC and private internet by the employer*: employers who do not provide IT material and internet to the employees can reimburse part of the costs that the employees bear themselves for the purchase of a PC and internet that they use on a structural and regular basis for telework. The reimbursement must correspond to the professional use of this PC and the internet and can be granted tax-free and free of social security as a cost proper to the employer. If the amount reimbursed to the employee does not exceed € 20 of the effective cost of professional use of the PC and€ 20 of the effective cost of professional use of the Internet, no additional proof is required. If more than € 20 is reimbursed per use, a double proof will be required for a tax-free refund:
  - the reimbursement is intended to cover costs proper to the employer;
  - the reimbursement was actually spent on such costs

How is it assessed?

- If the minimum of 5 days/month or 1 day/week is explicitly included in the employment contract or work agreements
- A prior agreement must be concluded with the Ruling Commission if no collective measures of the home office allowance applies and/or any other additional cost allowances (car, representations, etc.) are granted

For more information

Hendrik Serruys
Hendrik.Serruys@be.ey.com
+32 3 270 1468

Employment support/HR – guides for return to work safely

As telework will in the future no longer be compulsory and since some employees cannot perform their tasks via telework (given the nature of the work), several guides have been issued to give recommendations for measures to take at the workplace.

Together with the previous framework of safety at work legislation, those guides constitute an almost compulsory guidance for employers.

The national guide

- Experts of safety at work issued a national guide for corona-related prevention measures, that apply cross sectors

Cross sector generic recommendations

The national guide includes several generic recommendations such as :

- Provide means for regular handwashing (no obligation to provide hydroalcoholic gel);
- Ask employees to clean their hands as soon as they enter the work premises and leave it;
- Put in place collective protective gears and, by default of such gear, individual protective items (put the priority on installing collective equipment such as partition made of Plexiglas, ribbons, ground markings, etc.);
- Limit as much as possible the number of employees working in the same room;
- Spread the start and the end of work day
- Review the layout of the cafeteria so that the rules of social distancing are respected

The sectorial guides

Several joint committees have issued sector specific recommendations to put in place to prevent the coronavirus infection when returning to work. Some examples of sectors who have adopted sectorial guides:

- Garages , chemical industry, food industry, paper and cardboard manufacture, relocation, International commerce and logistic, audiovisual sector, retail, surveillance and guarding, health establishment and health services , investment banking

Most of the other sectors have adopted a declaration or some high-level directives to follow for companies.

An overview of the rules per sector can be found on the website of the Federal Public Service Employment, Labour and Social Dialogue: Veilig aan het werk tijdens de coronacrisis: generieke gids (versie 4) en sectorgidsen - Federale Overheidsdienst Werkgelegenheid, Arbeid en Sociaal Overleg (belgie.be)

The other actors to consult with

Every employer has to design a concrete plan to prepare the return to work and he must do so in consultation with the following bodies (if existing within the company):

- The committee for prevention and protection at work
- (by default of the first) the union delegation
- (by default of the second) the employees
- The prevention counselor (external or internal)

Link to the national guide

If you would like to consult the national guide with all the recommended safety measures, you can find the link here: https://employment.belgium.be/sites/default/files/content/documents/Coronavirus/Genericguide.pdf

For more information

Hendrik Serruys
Hendrik.Serruys@be.ey.com
+32 3 270 1468

Employment support/HR - additional measures for the “critical" sectors and the "vital” sectors

The government has adopted a series of additional support measures to facilitate the employment of employees, specifically in the critical sectors and in the vital sectors.

As it stands, these measures are applicable until 30 June 2021. It is possible that the legislator will decide to prolong these measures. The measure regarding the additional voluntary overtime hours will in any case be prolonged after 30 June 2021.

Measures for the “critical sectors”

The government has adopted a series of support measures for the critical sectors:

- Succession of fixed term contracts: Employers in the healthcare sector and the education sector and covid-19 tracing centers, may now freely conclude successions of fixed-term contracts with employees in temporary unemployment, without fearing the establishment of an unlimited term contract as normally provided for in article 10 of the Act of 3 July 1978. The contracts must have a minimum duration of 7 days. **This rule is applicable until 30 June 2021.**
- Lease of staff: in derogation to the general interdiction of lease of staff, employers are now authorized to lend out their workers with a contract of unlimited duration, to a user company (in the healthcare sector, the education sector and covid-19 tracing centers). This system is only possible for workers who were employed before 1 October 2020. A series of conditions and formalities must be respected. **This rule is applicable until 30 June 2021.**
- Student work: the student work hours performed will not be considered in the calculation of the 475 hours quota (that allows for an advantageous social security/tax treatment of these hours). This allows students to work more in the present quarter, while maintaining the beneficial treatment. This rule applies in some joint committees in the healthcare and caregiving sector and in the education sector, as well as for vaccination centers. Will also apply during the 3rd quarter of 2021
- Additional overtime hours: On top of the 100 voluntary overtime hours that employees can perform per calendar year on a voluntary basis (if certain formalities are respected) based on the Act of 16 March 1971, an additional amount of 120 overtime hours can now be performed (these additional 120 hours are exempted from social security contributions) by employees who work in a "critical sector" This measure will be prolonged after 30 September 2021.
- Workers on career break or time credit, can interrupt their break to work for another employer (in the healthcare or education sectors or a covid-19 tracing center) than their own employer. During this time, they will continue to benefit from ¾ of their gross interruption allowance. **This rule is applicable until 30 June 2021.**

Measure for the “vital sectors”

The vital sectors are the ones related to agriculture (joint committee 144), horticulture (joint committee 145), forest industry (joint committee 146) and temporary work (joint committee 322).

- Workers on career break or time credit, can interrupt their break to work for another employer in one of the vital sectors than their own employer. In this case they will benefit from ¾ of their gross interruption allowance paid by the ONEM/RVA for the duration of their new employment. **This rule is applicable until 30 June 2021.**

For more information

Hendrik Serruys
Hendrik.Serruys@be.ey.com
+32 3 270 1468

Employment support/HR - Temporary unemployment for parents if child cannot go to school

The corona parental leave has ended on 30 September 2020. Instead of this, a new measure was introduced.

This is the temporary unemployment for employees who must stay at home to look after their child, because the child cannot go to daycare, school or a center for persons with a handicap.

Who can benefit from this?

- All the employees who must stay at home because:

1. Their child younger than 18 year cannot go to the baby day care or school;
2. Their child younger than 18 year must follow classes from home;
3. Their handicapped child (no age limit) cannot go to the daycare center or to the home for persons with a handicap;
4. Their handicapped child (no age limit) cannot go to the activities organized by a service provider recognized by the Communities.

- The fact that the child cannot go to the school or center must be due either to the closing of this school or center or to the fact that the child must respect a quarantine period.
- If the employee fulfills the conditions set-out above, then the employer must respect his request to use temporary unemployment.
- Only one parent at the time can benefit from this temporary unemployment.
- All employees regardless of the joint committee to which the company that employs them, belongs

Amount of the temporary unemployment benefit

- The amount of the temporary unemployment benefit is 70% of the monthly salary (the salary is capped at 2754.76 EUR).
- On top of this temporary unemployment benefit, a supplement of 5.63 EUR per day (paid by the National Employment Service - RVA/ONEM)
- A lower professional withholding tax rate of 15% applies to the unemployment benefits.

Practicalities

- Employees must inform immediately their employer.
- In case of closure of the school or center, a standard form should be filled-in and signed by the school or the center. Part of this form, will also have to be filled-in and signed by the employee. The employee must then provide the document to his employer.
- In case the child is in quarantine and the school / center is not closed, there is a standard form that must only be filled-in and signed by the employee. The employee must then provide this document to his employer.
- The employee will also have to request the unemployment benefits to the payment institution (if it is the first time).

For more information

Hendrik Serruys
Hendrik.Serruys@be.ey.com
+32 3 270 1468

Employment support/HR - Tax impact on cross-border workers and employee benefiting from the "expat" special tax concessions

Since homeworking becomes mandatory for all companies that are able to make their employees work from home, Belgium reached an agreement with the Netherlands, France, Luxemburg and Germany, as regards the DTT that the normal cross-border work pattern can be invoked as a fiction during the so-called COVID-19 period

The impact on the determination of the travel exclusion for Belgian employees benefiting from the Belgian special (expatriate) tax concessions is still under discussion.

Who is eligible?

- Cross-border workers benefiting from the provisions in the DTT Belgium-France, Belgium-Luxemburg, Belgium – Netherlands and Belgium - Germany
- Employees benefiting from the "expat" special tax concessions

Support measures

DTT Belgium - France

- Teleworking days performed in the resident state will be considered performed in the normal working state, insofar as this teleworking is a direct consequence of the COVID-19 outbreak. Applies from 14 March 2020 up to 30 June 2021. Period may be extended if both parties to the DTT agree to do so.

Frontier worker regime

- Belgian and French authorities considered the Covid-19 as "force majeure" situation (beyond control of the employer and the employee) and issued an additional protocol to the DTT Belgium and France, applicable as from 14 March 2020.
- Presence of French frontier worker (i.e. employee residing in the French border zone, working in the Belgian border zone) teleworking at his home in France for the benefit of his Belgian employer will not be taken into account for the calculation of the 30-day period
- French frontier workers remain exclusively taxable in France during the COVID-19 crisis

DTT Belgium - Luxembourg : 24 days threshold

- In the same vein and based on a force majeure scenario, an agreement has been reached on taxation of cross border workers between Belgium and Luxembourg
- The homeworking days performed in Belgium by Belgian residents, employees of Luxembourg companies will not be counted towards the 24-day threshold
- Belgian frontier workers teleworking at their home in Belgium remain taxable in Luxembourg
- Applies from 11 March up to 30 June 2021.

DTT Belgium – The Netherlands

- Teleworking days performed in the resident state will be considered performed in the normal working state, insofar as this teleworking is a direct consequence of the COVID-19 outbreak. Applies from 11 March up to 30 June 2021

DTT Belgium - Germany

- The same as for the Be-Ne treaty, the normal cross-border work pattern can be invoked as a fiction during the so-called COVID-19 period, determined as from 11 March until 30 June 2021

Travel exclusion for people benefiting from the "expat" status

- Belgian employees benefiting from the special tax concessions who returned to their home country to telework from their home country residence and who are still considered as tax resident in that jurisdiction - will in principle be taxed in their country of residence during the COVID-19 period (i.e. if they work from home in their country of residency), unless a special protocol or agreement would be made between both jurisdictions
- In the situation where the expatriates are non-residents in both the country of origin and Belgium, the lockdown period will lead to a direct impact on the travel exclusion. Different approaches are currently being considered to reduce the impact of containment on the travel exclusion
- EY is in close contact with the Belgian tax authorities with regards to the impact of Covid-19 on the foreign travel exclusion. At this stage, only travel for business purposes can be accepted

For more information

Hendrik Serruys
Hendrik.Serruys@be.ey.com
+32 3 270 1468

Employment support/HR - Telework – An international social security perspective

People are still faced with travel restrictions and measures forcing them to work at home due to the coronavirus outbreak. For employees working in a cross-border situation, their extended mandatory presence in a specific country inevitably gives rise to questions about the impact on the applicable social security scheme

Telework on Belgian territory due to the coronavirus will have no impact on the applicable social security scheme for as long as the Belgian Government's emergency measures apply

Non-EU nationals which should have started a local employment in Belgium, but are forced to remain longer than expected abroad, can obtain a temporary Belgian Certificate of Coverage

Who is eligible?

- Frontier workers (i.e. employees living in an EEA Member State but working in another EEA Member State who are usually subject to the social security scheme of the country where they are working
- Due to the increased (and often imposed) use of telework, many frontier workers may exceed this 25% threshold of working in their country of residence (generally assessed over a 12 month period) and could consequently be faced with a switch in social security coverage. For their employers, the change of applicable social security scheme would entail an impact on employment cost and a substantial increase in administrative efforts (e.g. registering with foreign social security authorities to make payments and declarations in the country of residence of the frontier worker)
- Non EEA nationals who are forced to stay longer than expected on assignment abroad (and cannot come to Belgium to start a local employment) also benefit from a specific measure

Support measures?

- The Belgian authorities confirmed that the periods of telework performed in Belgium by frontier workers due to the coronavirus will exceptionally not be taken into account for the determination of the applicable social security scheme
- This avoids a switch to the social security scheme of the country of residence (i.e. Belgium)
- For Non-EEA nationals, forced to remain longer abroad due to Covid restrictions, a temporary Certificate of Coverage can be issued to confirm the application of Belgian social security
- The issuance of this certificate by Belgium is subject to the acceptation of the other country concerned (where the individual is forced to stay)
- Such Certificate can cover telework periods from 13 March 2020 until 30 June 2021
- It is currently not yet officially confirmed, but these measure might be extended until 31 December 2021

How is it assessed?

- The frontier workers' physical presence in Belgium between 13 March 2020 and 30 June 2021 will not be taken into account by the NSSO to determine the applicable social security scheme

Practicalities

- No specific formalities for frontier workers. Some specific situations will need to be reviewed on a case-by-case basis
- A request can be filed at the Belgian NSSO to obtain a CoC covering the period where activities are temporarily performed abroad to avoid social security liability in this country

For more information

Hendrik Serruys
Hendrik.Serruys@be.ey.com
+32 3 270 1468

Employment support/HR - Other measures

There are a number of other employment related measures that were created because of the covid-19 pandemic.

Vaccination leave

- When employees receive an invitation to get vaccinated and the vaccination moment is during the work hours, they may be absent from work to get vaccinated. They will receive their normal salary during this day.
- The employee is entitled to remain absent for as long as it takes to receive the vaccine (this includes travel time to and from the vaccination center).
- The employee must inform his employer before the start of his absence, and as soon as possible as from the moment he is aware of his vaccination moment.
- The employer can request that the employee shows him the appointment confirmation or the invitation. The employer may not keep these documents, nor ask a copy thereof (the employee only has to show these documents to the employer upon request.

Obligation to notify telework to the National Social Security Office

- Since April 2021, employers must notify the National Social Security Office each month of the number of employees they employ and how many of these employees perform telework and how many have a function that doesn't allow them to perform telework.
- This data will be used to perform social inspections in different companies to verify that employees who have a function that allows them to perform telework are at home and not at the office. (However, as of 9 June 2021 employees can return to the office for maximum one day per week.)
- This notification must be done via an online application. This is the link to the online application: Coronavirus: telewerkaangifte - Sociale Zekerheid (socialsecurity.be)

Consumption voucher

- In the framework of the covid-19 pandemic, the legislator has also created a new extra-legal benefit that can be used by companies in order to motivate their employees. At this moment only companies in the healthcare sector can grant new consumption cheques to their employees (until 30 June 2021).
- This voucher can only be used in certain places, such as: hotels, restaurants, bars, cultural institutions, sport clubs and certain small businesses. The idea is also to support these businesses via the creation of this consumption voucher.
- Similar to meal vouchers and eco vouchers, the consumption voucher is not subject to social security and withholding tax, if a number of conditions are fulfilled.

For more information

Hendrik Serruys
Hendrik.Serruys@be.ey.com
+32 3 270 1468

Other supporting measures - grants

Other supporting measures – regional grants – Flemish region

All regional governments have put general supporting measures in place that provide for a cash stimulus for businesses forced to entirely or partially close during the COVID-19 outbreak

Other measures are aimed at alleviating strict conditions with regard to grants and subsidies or consist of general advisory and mediation support

Increased flexibility in deadlines for support measures and subsidies

- For beneficiaries/applicants who encounter difficulties due to COVID-19 to meet the deadlines set for certain subsidies

In practice:

- Eligible VLAIO-subsidies:
  - Development projects, Research projects, STRES & STS applications, Ecology premium plus
  - Thematic ICON-projects, ICON-projects with regard to interdisciplinary cooperative research
  - Baekeland mandates, Innovation mandates (IM) …

SME Growth Subsidy: subsidy intended to help attract missing strategic knowledge/expertise within SMEs that is required to establish new growth

- Measure has been extended to include strategic tipping point/ because of the Coronavirus
- thematic calls for action:
- - request as from 1/7 – 31/8/2021 – focus areas: internationalization, digitalization and sustainable & circular entrepreneurship
- - request as for 1/11 – 31/12/2021 – same focus areas

In practice:

- Exploring new markets, revising the supply chain, digitalization or making the business processes more sustainable can be considered as such a tipping point to make a grant application

Covid Strategic Transformation Support

- For Businesses that as of 1 June 2020 have invested in Covid-19 relevant products & services

In practice:

- Support of 50% of qualifying investments with a min. invested amount of € 250K
- Investment project finalized within 6 months following investment
- Request for support submitted by 1 November 2021

For more information
Wouter Desmet
Wouter.desmet@be.ey.com
Office: +32 9 242 5106

Other supporting measures - regional grants - Walloon & Brussels region

All regional governments have put general supporting measures in place that provide for a cash stimulus for businesses forced to entirely or partially close during the COVID-19 outbreak

Other measures are aimed at alleviating strict conditions with regard to grants and subsidies or consist of general advisory and mediation support

Walloon region: Increased flexibility in terms of conditions for support measures and subsidies

. General measures

. Walloon Public service responsible for the support or subsidy to be contacted

Walloon region: advisory and mediation support

.Program 'Ré-Action': Legal, financial and economic support for micro-businesses (less than 10 employees)

. Mediation services provided for independent workers and SME's with regard to bank credit

Brussel region: Regional support team

- Support throughout the crisis consisting of free advice, coaching, accounting, thematic expertise, export, credit mediation and legal advice
- Accelerated treatment of economic expansion support

For more information

Wouter Desmet
Wouter.desmet@be.ey.com
Office: +32 9 242 5106

Global EY COVID-19 Stimulus Response Tracker

Our tracker provides a snapshot of the policy changes that have been announced in jurisdictions around the world in response to the COVID-19 crisis.

Policy changes across the globe are being proposed and implemented on a daily basis.

The document will be updated on an ongoing basis but not all entries will necessarily be up to date as the process moves forward.

Key jurisdictions covered by the Response Tracker include:

- Australia
- Austria
- Belgium
- Brazil
- Canada
- China
- Colombia
- Cyprus
- Czech Republic
- Denmark
- France
- Germany
- Greece
- Hong Kong
- Indonesia
- Italy
- Japan
- Luxembourg
- Malaysia
- New Zealand
- Norway
- Puerto Rico
- Singapore
- Slovak Republic
- Slovenia
- South Korea
- Spain
- Sweden
- Switzerland
- Taiwan
- Thailand
- Ukraine
- United Kingdom
- United States

To download the latest Response Tracker visit:

ey.com/en_us/tax/how-covid-19-is-causing-governments-to-adopt-economic-stimulus--

Contact

Peter Moreau

COVID-19 coordinator
International Tax

peter.moreau@be.ey.com

+32 2 774 91 87

Steven j. Claes

Tax policy

steven.claes@be.ey.com

+32 2 774 94 20

Hendrik Serruys

People advisory services

hendrik.serruys@be.ey.com

+32 3 270 14 68

Olivier Van Bauwel

Cash tax management

olivier.van.bauwel@be.ey.com

+32 2 774 93 14

Wouter Desmet

Grants & Stimuli

wouter.desmet@be.ey.com

+32 9 242 51 06

Jan Van Moorsel

Indirect taxes

jan.van.moorsel@be.ey.com

+32 2 774 93 77

Peter Suykens

Commercial law and contracts

peter.suykens@be.ey.com

+32 2 774 64 40

Karla Vuyts

Employment law

karla.vuyts@be.ey.com

+32 496 507 424

Philip Peerens

Financial law

Philip.peerens@be.ey.com

+32 486 955 799

EY | Assurance | Tax | Transactions | Advisory

About EY
EY is a global leader in assurance, tax, transaction and advisory services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. Information about how EY collects and uses personal data and a description of the rights individuals have under data protection legislation are available via ey.com/privacy. For more information about our organization please visit ey.com.

ED None

ey.com