

Cover Story

Coronavirus



Support for business is unprecedented!

A coronavirus cousin of SARS, COVID-19 has been spreading across the globe since December 2019. The pandemic has plunged the entire world into an extraordinary change in daily life for weeks and managing the crisis has brought up more than its fair share of questions and challenges. Whilst Luxembourg, like many other countries, has been locked down for several weeks, there has been growing concern about the impact this health crisis will have on the economy. To help companies affected by the pandemic, the Chamber of Commerce, with its entities the House of Entrepreneurship and the Mutualité de Cautionnement, together with the government, have implemented a new package of support measures. Merkur magazine, which has set aside its usual contents for this COVID-19 special edition, draws up an inventory here. Things have been changing rapidly in recent weeks so this inventory is not exhaustive and some of these measures will certainly have been modified between now (April 20, 2020) and the time this article is published.

As a professional chamber and legal representative of the interests of companies from all the economic sectors except crafts and agriculture, the Chamber of Commerce has launched a whole series of measures to act pragmatically, quickly and efficiently to provide support to businesses in the country. Specific measures have been put in place to help companies and their employees who are experiencing difficulties because of the pandemic. These are in addition to Bill No. 7532 adopted by the Government on 11 March 2020 to introduce an aid scheme aimed at supplementing previously existing measures to support businesses and the self-employed who find themselves in temporary financial difficulties.

In addition, the government presented its COVID-19 economic stabilisation programme on 25 March 2020. The stabilisation plan will use up to EUR 9 billion, or more than 14% of the GDP in various forms. It has four objectives: to meet the immediate liquidity needs faced by businesses;

deal with financial difficulties; facilitate corporate borrowing through state support; and maintain employment. Several other measures also come within the framework of the **economic stabilisation programme set up by the government** and are intended to achieve those objectives. They are detailed below and in the detachable poster at the end of the magazine.

Bank guarantee for companies in financial difficulty

One of the first pieces of advice given to companies, especially by the Chamber of Commerce, in this crisis was to reduce/rationalise their costs as much as possible. The first three measures listed allow them to do this. Companies may also ask their bank for a loan and/or an extension of existing lines of credit. To facilitate these mechanisms, the *Mutualité de Cautionnement* has set up an accelerated and simplified procedure for guarantees, which companies themselves can access through their banks. The purpose of the guarantee is to facilitate access

to bank financing. Several companies have already used it (see interviews). A guarantee can be given for up to 50% of the credit and up to a maximum of EUR 250,000. In order to guarantee rapid assistance to companies which ask for it, a procedure for analysing files within 48 hours has been put in place. Companies wishing to take advantage of this guarantee must request it directly from their bank, which will decide on the release of the credit. The Chamber of Commerce is in contact with the banks to organise the provision of this service. In addition, information on this crisis instrument can be requested by telephone: 42 39 39 - 445.

Meeting immediate liquidity needs

In addition, Bill No. 7352 adopted by the government on 1 April commits a budget envelope of EUR 300 million - approved by the European Commission - giving each company the right to up to EUR 500,000 in aid, provided it fulfils three conditions:

- the difficulties experienced by the company must be due to the current crisis, and must not be pre-existing;
- the aid is a 'repayable advance': an adjustment will take place after 12 months

to see, on a case-by-case basis, how the company could reimburse the sum advanced;

- companies must submit a recovery plan when they ask for assistance in order to show that they are considering a financial stabilisation strategy.

This support for businesses with a capital subsidy is in the form of repayable advances which aim to meet the liquidity needs of businesses. Large, medium and small businesses as well as the liberal professions can benefit from this measure.

The maximum amount of aid, which takes the form of a repayable advance, is EUR 500,000 per company or group of companies. This advance can cover up to 50% of eligible costs, including staff costs and rent, up to EUR 10,000 per month and per single company (group), over the period from 15 March to 15 May 2020. In the case of self-employed people, income, capped at an amount equivalent to 2.5 times the minimum social wage, is assimilated to staff costs, subject to social security affiliation as an independent.

In order to speed up and facilitate the procedure, it is strongly recommended that companies and the self-employed apply through Guichet.lu. The company, or its representative (e.g. a trustee), can submit a request through an online assistant available at MyGuichet.lu. It is also possible to submit the request by post using a form available on Guichet.lu. Repayment with an annual interest rate of 0.5% will begin no earlier than 12 months after obtaining the repayable advance. The repayment of the advance will be made according to a repayment plan which must be agreed between the company and the Ministry of the Economy.

The professional chambers are collaborating with the Ministry of the Economy to help companies ask for a repayable advance and are available to give information on this subject. At the Chamber of Commerce, call: (+352) 42 39 39-445 or e-mail: Covid-19@houseofentrepreneurship.lu



To facilitate bank financing

These measures concern the state guarantee scheme for new bank loans over a maximum period of six years for both SMEs and large companies. The State will guarantee up to 85% of the amount of new bank credit lines as part of a total package of EUR 2.5 million.

Special Anti-Crisis Financing – SACF made available through the company's bank and the *Société Nationale de Crédit et d'Investissement* (SNCI) will be able to cover financing needs related to the current crisis via indirect loans for amounts from EUR 12,500 to 16 million.

Funding over five years in favour of the Mutual Guarantee Scheme for SMEs (*Mutualité des P.M.E.*) and the *Mutualité de Cautionnement* will allow the mutual insurance companies of the professional chambers to extend the guarantees provided to SMEs.

New helpline for companies

The Chamber of Commerce's House of Entrepreneurship has also set up a new helpline to inform businesses in real time. The helpline number is 42 39 39 - 445. It has been operational since 16 March, on working days, from 9am to 12pm and from 2pm to 5pm to answer questions relating to various themes, such as partial unemployment/short-time working and state and public aid put in place by the authorities and the Chamber of Commerce. It is also possible to reach this helpline via e-mail at: Covid-19@houseofentrepreneurship.lu

The General Directorate for Small and Medium-Sized Enterprises has set up an emergency fund for very small businesses and the self-employed.

Thanks to this measure, companies with a maximum of nine employees and the



01. 02. As in many other countries, Luxembourg has been confined for several weeks and concerns about the impact of the health situation on the economy in general are becoming clearer and clearer.

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self-employed (sole ownership) who have a valid establishment authorisation issued before 18 March 2020 (and having an annual turnover of at least EUR 15,000 and whose business activity had to be interrupted following the entry into force of the Grand-Ducal regulation of 18 March 2020 introducing a series of measures in the context of the fight against COVID-19) may apply for immediate and non-repayable financial assistance of EUR 5,000. It is important to note that this assistance is independent of the Bill which will supplement pre-existing aid instruments.

As a reminder, this is a direct non-refundable payment of EUR 5,000 granted by the government to the most vulnerable very small businesses (including self-employed) hit by the COVID-19 crisis. Each request is valid for only a single company (or group)*.

Eligibility is based on three criteria which must all be fulfilled:

- companies and self-employed people having an establishment authorisation issued before 18 March 2020, having between 0 and 9 employees (FTE/full-time jobs); N.B.: self-employed people working alone are eligible;
- companies and self-employed people who were obliged to completely or partially stop their business activity following the entry into force of the Grand-Ducal regulation of 18 March 2020 which introduced a series of measures in the fight against COVID-19;
- and companies and self-employed people who had an annual turnover of at least EUR 15,000, during the last financial year; N.B.: if the fiscal year is not complete, the entrepreneur can submit a request proving the generation of a certain turnover in proportion to the number of months worked; the request will be considered.

The complete file, dated and signed by a person authorised by the company, must be emailed to the Ministry of the Economy, General Directorate for Small and Medium-Sized Enterprises, at corona.pme@eco.etat.lu

All requests must be based on the dedicated PDF form, duly completed, accompanied by a BBAN. The applicant, if the economic beneficiary of several companies, must undertake to submit an aid request for only one company, provided that single company (group) does not have more than a total of nine employees in full-time jobs.

JobSwitch for labour requirements

The Chamber of Commerce's House of Entrepreneurship, acting on an idea developed by the *Confédération luxembourgeoise du commerce* (CLC) and in partnership with the Ministries of Labour and Economy and with ADEM, launched a platform to connect companies needing labour with job seekers who were unemployed, partially unemployed or self-employed (*see side interviews*).



The JobSwitch platform was a temporary tool specially designed to facilitate acts of solidarity during the crisis. The goal was to facilitate and accelerate the use of available labour during the crisis. Whilst many businesses, especially most shops, construction companies and hospitality companies (to name but a few), had been forced to close their doors or drastically reduce their activity, others, especially large food stores and the logistics sector, had been overwhelmed with demand whilst facing personnel difficulties related to quarantine measures or employees' need to look after children.

JobSwitch provided an answer to these situations by making it possible, easily and quickly, to loan personnel from one company to another and to deal with applications from the unemployed, partially unemployed, or self-employed, who could use this system to help them supplement

their income. This platform was, from the start, intended as a short-term project due to cease its activities on 30 April 2020.

JobSwitch was highly successful with no fewer than 1,460 applications registered in total, including a peak of 201 on a single day. JobSwitch ultimately produced 537 matches and thus facilitated connecting job seekers and companies.

'Extraordinary' tax measures

Given the current COVID-19 crisis, the government decided to implement several tax measures in favour of both legal persons (companies) and natural persons through its stabilisation programme. The main objective of these measures is to meet the financing and cash flow needs of companies and the self-employed, currently heavily affected. Especially:

- the cancellation of tax advances for the first two quarters of 2020. Automatic agreement will be given to requests to cancel tax advances for the first two quarters of 2020, including income tax (associations) and municipal business tax.
- a four-month delay for tax payment deadlines and automatic agreement to payment-deferral requests (without interest) for income tax, municipal business tax and wealth tax.
- a postponement for submitting tax declarations and fixing the deadline for submitting tax declarations for legal and natural persons to 30 June 2020.
- extending the deadline for filing VAT returns. The government will waive administrative sanctions for exceeding the deadline for filing VAT and subscription tax returns and declarations of succession and notarial and bailiff documents.



Social security contribution measures

In order to allow employers who are in a financially precarious situation as a direct result of COVID-19 to better manage the payment of their social security contributions in the coming weeks, the Joint Social Security Centre (CCSS) put in place the following temporary measures from 1 April 2020 (and until the CCSS's board of directors finds that they no longer need to be applied): suspension of the calculation of default interest for delays in payments; suspension of the procedure for forced collection of contributions; suspension of the execution of restraints by bailiffs and suspension of fines against employers who delay declarations to the CCSS.

These measures apply not only to future contributions, but also to the current social security contribution balances, despite any statements (interest, fines, etc.) on the CCSS account statement dated 14 March 2020. All social security contributions remain due, but employers will nevertheless be able to better organise their finances without having to fear administrative sanctions.

03. 04. 05. 06. 07. Specific measures have been put in place to help companies and their employees who are experiencing difficulties due to the COVID-19 pandemic, to which has been added a bill to introduce an aid scheme aimed at supplementing the existing instruments to support businesses and the self-employed who find themselves in temporary financial difficulties.

© 03 and 04: Hannah Ekberg – 06: Max Ostwalt – 07: Jason Leung Pol



Laurence Frank
Brasserie du Grand Théâtre

'Since the start of this crisis, the Horeca sector has been losing money every day'

Why did you decide to request the guarantee offered by the Chamber of Commerce through its *Mutualité de Cautionnement*?

It is the first time that I have asked for outside help. Until now, I have always used my own equity or savings for my professional business. Even during the tram works, when my business was strongly impacted, I did not ask for anything. I have survived for nine years and I try to cope with all situations to keep my business afloat and keep the people I employ. But today, the situation is unprecedented! So I decided to take the plunge and ask for help. Since the start of this crisis, the Horeca sector has been losing money every day. We are on the front line, and we work very hard!

Are you satisfied with the time it took to process your request?

Yes, very satisfied. The request was dealt with and the bank agreement completed within 24 hours.

Are you satisfied with the help received and would you recommend this service to other companies?

Yes, quite! I just hope that it will not be the only aid to which we will be entitled and that others will follow, particularly from the State, because this crisis will be really difficult to overcome! I also hope that this will have a positive impact on sectors like ours and that new regulations may be proposed.

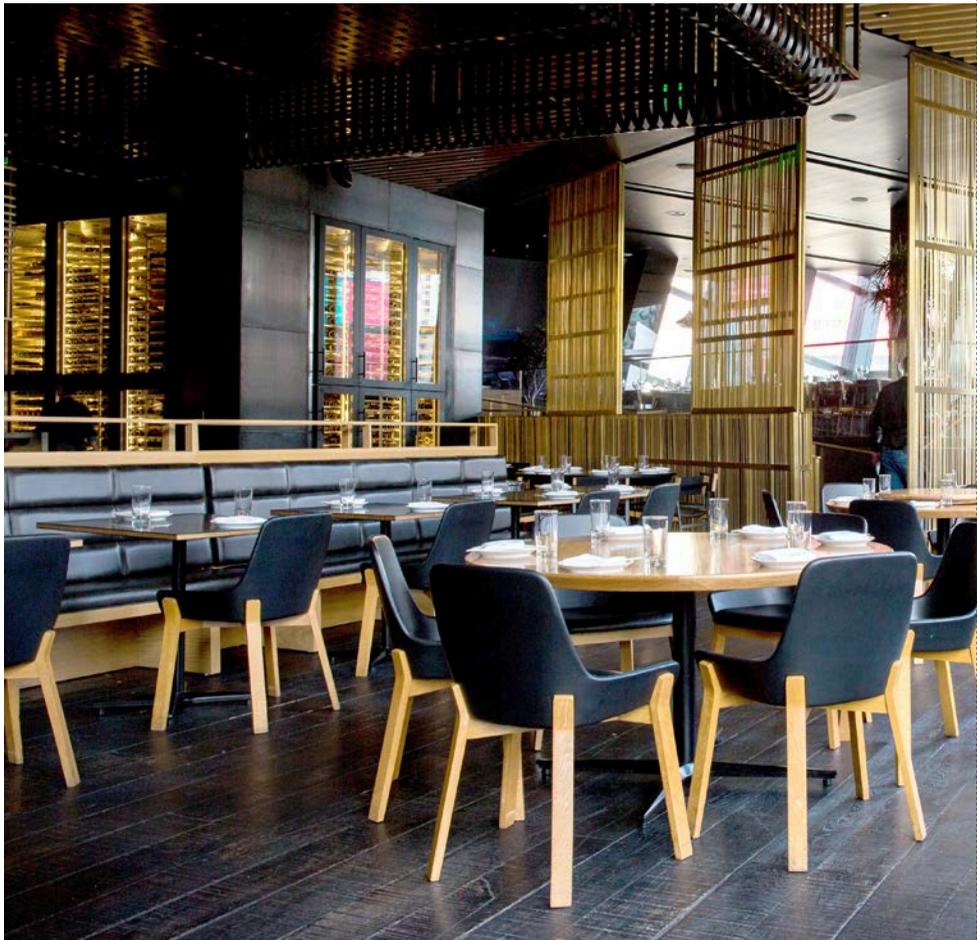


Online business opportunities with POD

In order to allow companies to continue their search for partners on a European and international level, the Chamber of Commerce's Enterprise Europe Network-Luxembourg (EEN) offers free consultation on cooperation profiles of foreign companies likely to be of interest thanks to the 'POD - Partnership Opportunity Database'. Set up and updated daily by the European Commission's Enterprise Europe Network, this electronic platform can be consulted at: <https://een.ec.europa.eu/partners>. To be part of this exchange platform, a profile containing a company's offers and requests for business or technology can be established by completing various forms. A member of the Enterprise Europe Network team then contacts the company to provide personalised follow-up.

■ Contact:

Amrita Singh, Project Manager EEN
e-mail: een-pod@cc.lu,
or tel.: (+352) 42 3939 - 377/333



In addition to these measures, the CCSS will proceed to liquidate an advance on the financial indemnities for leave for extraordinary family reasons, granted to parents of children affected by the temporary closure of basic and secondary education, vocational training structures, etc. This measure aims to advance a substantial part of the reimbursement of salaries that employers must continue to pay to the parents concerned and which, in normal times, would only be done in May 2020 through the Employers' Mutual Fund. The CCSS will contact the potentially targeted employers in order to provide them with the information necessary to request such an advance on reimbursement from the Employers' Mutual Fund. The advance will be liquidated in mid-April 2020.

The current payment periods have thus been put on hold. A new deadline for payment of social security contributions has been implicitly granted by the CCSS without formal request. If contributors have

accumulated significant delays in social security contributions towards the end of the COVID-19 crisis, the CCSS will contact them with proposals of how to settle their debt.

No cancellation or easing of social security contributions is foreseen. Social security contributions remain due on the professional income earned. However, falls in professional income can be communicated to the CCSS. To do this, a temporary income adjustment form can be requested, filled out and sent by mail to the CCSS. Contributions will be lowered or increased accordingly.

In addition, the government's stabilisation plan provides for increased flexibility in the payment of social security contributions to help in the management of cash flow.



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08. 09. As part of the economic stabilisation programme, the Government Council approved an aid scheme to support investment projects looking to develop and manufacture products to help combat COVID-19.

© 07: Jason Leung Pol – 08: Mika Baumeister – 09: Matthieu Freund – Priacel

Mediation centre

Mediation is a voluntary dispute resolution process in which an impartial, independent third party, trained in mediation techniques, participates, through the organisation of exchanges between people or institutions, to improve their relationship or manage a dispute between them. Mediators are qualified, attentive to everyone's interests and structure the meetings to guarantee a dignified climate making mutual understanding possible. Mediators are bound by professional secrecy. The mediation centre is open Monday to Friday from 9.30am to 11.30am and from 2pm to 4pm and Wednesday from 2pm to 4pm. It can be reached by phone at (+352) 27 85 42 1.

Measures to aid exports

In the context of the pandemic, the Luxembourg Export Credit Agency (ODL) has put in place the following measures in order to strengthen its support for Luxembourg companies:

'The JobSwitch platform was a temporary tool specially designed to facilitate acts of solidarity during the crisis.'



Christophe Diederich
Concept+Partners

'We must take advantage of all the aid available to keep businesses afloat'

Why did you decide to request the guarantee offered by the Chamber of Commerce through its *Mutualité de Cautionnement*?

Given the situation, we must do everything for our teams and to maintain our business. We must use all the means at our disposal to be able to remain operational in the coming months. This naturally involves requests for the establishment of lines of credit with banks, and guarantees such as those from the *Mutualité de Cautionnement* of the Chamber of Commerce.

Are you satisfied with the time it took to process your request?

Yes, more than satisfied! The people we contacted were more than responsive.

Are you satisfied with the help received and would you recommend this service to other companies?

Absolutely yes. All companies that need or are going to need financial support must be able to take advantage of all the assistance available to them to keep their businesses afloat.

'The self-employed play an essential role in the Luxembourg economy.'



07. 10. In addition to unprecedented public health measures, many businesses and professionals in the Horeca sector have had to adapt to the situation.

© 07: Jason Leung Pol

11. A new helpline has been set up by the Chamber of Commerce to provide companies with real-time information and answer questions on various themes.

© 11: Mika Baumeister

- increasing the guaranteed portion of the limits and contracts issued during the crisis in the context of export insurance;
- collaborating with the *Mutualité de Cautionnement* to establish an insurance for guarantees issued by the MGA allowing it to increase its capacity;
- making insurance of bank credits more flexible which allows banks to partially reduce the risk from non-repayment of loans they grant to Luxembourg exporters to develop their international business. In this context, ODL (www.odl.lu) will also ease the conditions applicable to this product, by increasing the percentage of insurance possible and by broadening the definition of eligible bank loans;
- increasing in the percentage of insurance available as part of its insurance product for bank guarantees which is aimed at the banks of Luxembourg exporters to ensure the line of guarantee granted by the bank and



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including import guarantees in applying insurance;

- reducing the delay in processing claims thus allowing companies to be compensated more quickly in the event of a claim;
- financial aid activities.

Training/apprenticeship companies

Due to the spread of COVID-19, the government has decided to suspend activities in the school and education sector until May 2020, inclusive (*at the time of writing*). The Department of Health will continue to reassess the situation and the date of the sector's resumption may be adapted as the situation evolves.

This decision has repercussions on professional training, including, among other things, internships, the evaluation of modules and the organisation of integrated projects.

Following meetings on 19, 20 and 23 March, respectively, between the professional chambers and the professional training working group of the college of directors in order to plan the end of the school year, it was agreed that the common objective is to allow students and apprentices graduation (or advancement) during the 2019/20 school year. Some flexibility

in the manner of evaluating modules will be implemented. If it is impossible to evaluate a specific module, the system will allow for the evaluation to be postponed to the following semester. Apprentices will be exempt from the 2nd semester employers' modules. These modules will therefore be considered as acquired.

Students in non-graduating classes will be granted an exemption for all internship modules in progress or still to be done by the end of the 2019/20 school year.

Students in graduating classes will be granted an exemption for internship modules that are impossible to assess.

The duration of final and intermediate integrated projects will be adapted, and their content will be limited to the subject matter covered up until the end of the first semester of the 2019/20 school year.

The commissioners in charge of the final integrated projects organised in the form of modules during the year will communicate the terms and conditions as soon as possible to the schools concerned.

The deadline for signing apprenticeship contracts, initially set for 31 October, will be extended.

Companies in the personal care sector who

want to use their adult apprentices as volunteers will need the authorisation of the Directorate of Health.

The professional training service and the professional chambers thank everyone for their collaboration in this exceptional situation.

Emergency compensation for the self-employed and very small businesses not affected by compulsory closures under the Grand-Ducal regulation of 18 March 2020

The self-employed play an essential role in the Luxembourg economy and are also affected by the COVID-19 crisis. In order to support them financially, on 9 April 2020, the government approved a draft Grand-Ducal regulation aimed at establishing a certified emergency compensation of EUR 2,500 in their favour. The granting of this support measure is subject to several conditions. The applicant must be encountering temporary financial difficulties due to COVID-19, employ fewer than 10 people and the professional income which serves as the basis for calculating social security contributions must not exceed 2.5 times the minimum social wage. The form for submitting requests is available on Guichet.lu

The General Directorate for Small and Medium-Sized Enterprises has also announced that it has accelerated the payment of investment aid requests from SMEs in order to alleviate potential liquidity problems. About four million euros have been paid to SMEs in this context. Any SME wishing to invest in a project which aims to promote the creation, extension, diversification and fundamental change of their production process, can benefit from this investment aid.

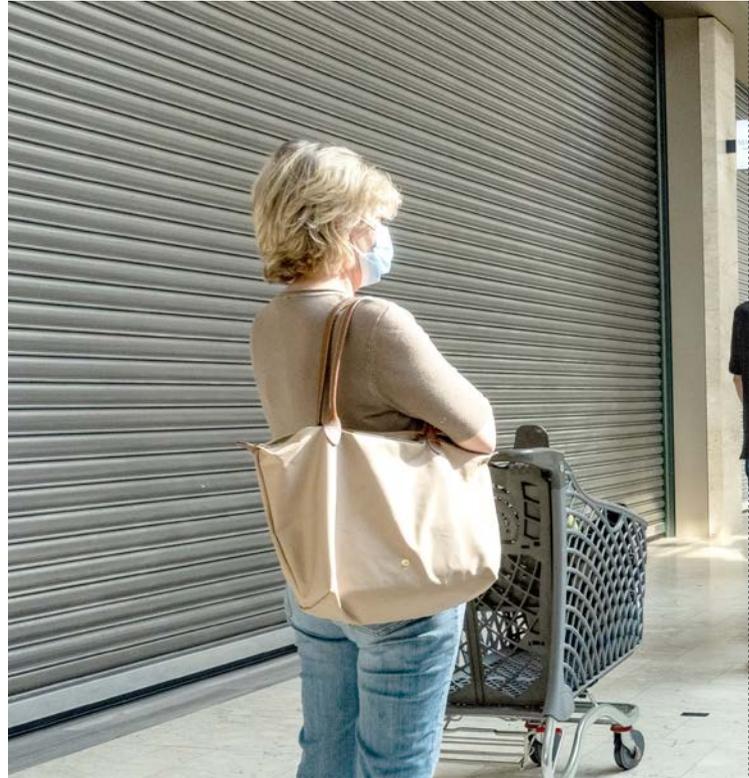
Partial unemployment

The partial unemployment scheme, in cases of force majeure, may apply to employees who are not covered by a certificate of incapacity for work but who can no longer be employed at all or can no longer be employed full time, in situations when their company can no longer function normally if, for example, a supplier of raw materials can no longer deliver or can no longer



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‘Partial unemployment applies in principle to all economic sectors if the causes invoked are causally related to COVID-19.’



ensure the volume necessary for the company's normal operations, for reasons related to COVID-19, or if there is a significant decline in customer or user demand due to the pandemic.

Employees are eligible for partial unemployment if they have an open-ended or fixed-term employment contract; are employed by a company legally established in Luxembourg when they become unemployed; are able to work and under the age of 68, and do not receive either an old-age pension, an early old-age pension or a disability pension; are normally employed at a workplace in Luxembourg and insured as an employee with Luxembourg social security organisations. However, and in order to continue to motivate companies to actively participate in dual system apprenticeships, apprentices are eligible, as are people benefiting from measures in favour of employment, for employment initiation contracts and employment reintegration contracts for the part of the salary payable by the employer. Requests from non-profits will be analysed on a case-by-case basis in order to avoid any double funding.

Partial unemployment applies in principle to all economic sectors if the causes invoked are causally related to COVID-19.

If agreed, the Employment Fund covers 80% of the normal salary capped at 250% of the minimum social wage for an unskilled employee for at most 1,022 hours per employee per year.

Some general rules apply in all cases: the prior expenditure of the means available to the company (non-renewal of expired fixed-term contracts, no use of new fixed-term contracts, exhaustion of the leave remaining from the years preceding the COVID-19 crisis, non-use of temporary workers and establishment of temporary loans of labour) as well as a ban on dismissals for reasons not inherent to the person.

Finally, it should be noted that employees who are teleworking or who are on leave for family reasons are not eligible for partial unemployment during this specified period.

At present, there are two procedural steps to benefit from partial unemployment in the

context of the pandemic:

- an accelerated procedure for companies directly impacted by a government decision
- a ‘force majeure/COVID-19’ partial unemployment scheme.

a) Accelerated procedure for companies directly impacted by a government decision

Companies which have had or still have to completely or partially stop their activities following a government decision, such as those mentioned in the Ministerial decree of 18 March 2020 or subsequent decisions, are exceptionally directly eligible for partial unemployment, from the date on which the government decision took effect, that is 16 March, or at the beginning of their total or partial closure.

It will be possible to file a detailed statement showing the actual hours without work as part of partial unemployment due to closure imposed by the government, directly on the ADEM website.



Pierre Beck
 Founder & Managing Partner
 Fox Drinks Luxembourg

‘This crisis is so surreal for the economy’

Why did you decide to request the guarantee offered by the Chamber of Commerce through its *Mutualité de Cautionnement*?

The current crisis came very suddenly and we do not know how it will develop in the coming weeks. In our business, we have to plan everything months in advance and we were already working on schedules and production for this summer. But as we no longer have any visibility on the situation, we asked for this guarantee in order to have a certain ‘guarantee’ of future liquidity and to be able to approach the coming days with a little less apprehension about this exceptional situation.

Are you satisfied with the time it took to process your request?

Yes, very satisfied. The request and the bank’s agreement were completed in a very short time.

Are you satisfied with the help received and would you recommend this service to other companies?

Yes, quite. Of course, this is a loan and we are also personally committed to this guarantee. But this whole crisis is so surreal for the economy that we have no other choice right now for our businesses to survive. At least we are reassured because we know that if we need it, we can use this help. I would happily recommend it to others.

The companies concerned are invited to wait for this system to go online before submitting their reimbursement requests, which will be made retroactive to 16 March 2020.

Advances will be paid based on the effective payroll on the date on which the government decision concerned took effect. A monthly statement must be entered.

The reimbursement declarations will be subject to ex post verification and erroneous or fraudulent declarations may lead to forced restitution without prejudice to legal proceedings.

b) ‘Force majeure/COVID-19’ partial unemployment scheme

If a company which remains open but suffers a decline in its business due to the impact of COVID-19, partial unemployment for cases of force majeure may apply for employees:

- who do not have a certificate of incapacity for work;

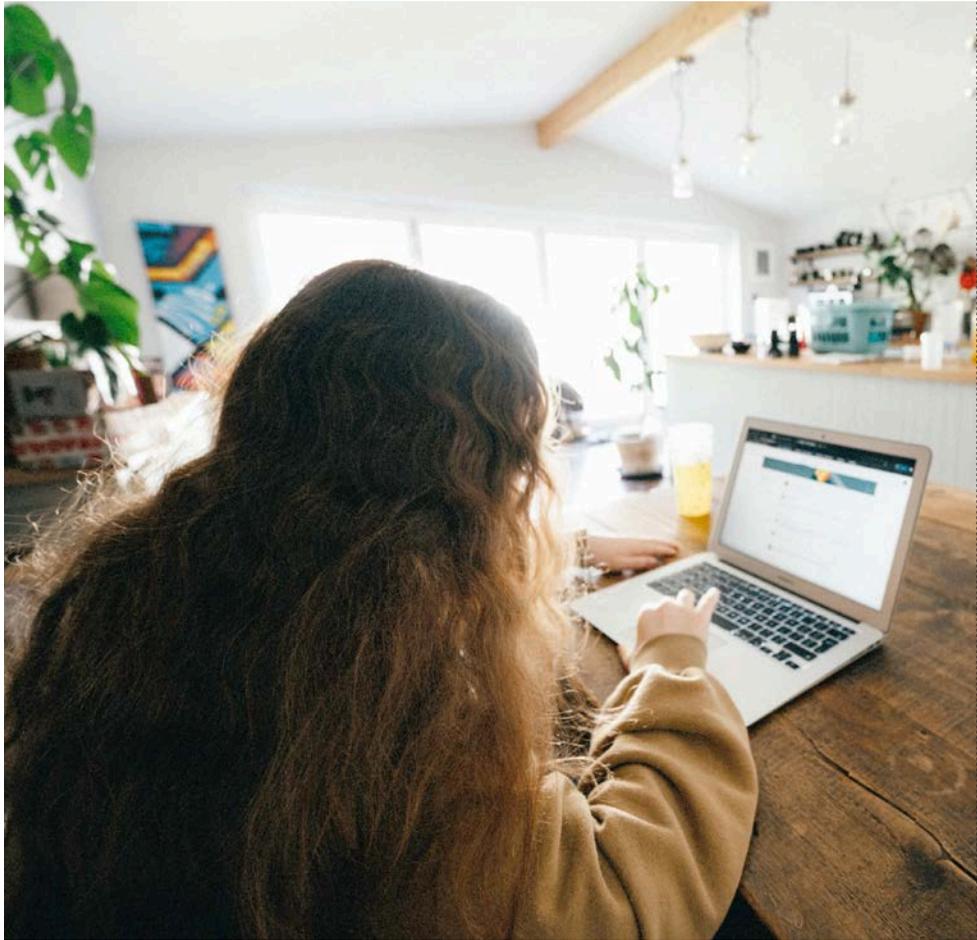
12. 13. The Chamber of Commerce's House of Entrepreneurship, acting on an idea developed by the *Confédération luxembourgeoise du commerce* and in partnership with the Ministries of Labour and Economy and with Adem, has launched a platform to connect companies needing labour with the unemployed, partially unemployed and self-employed looking for work.



Free access to international and regional markets

In order to continue supporting companies in the face of the COVID-19 crisis, the Chamber of Commerce's Enterprise Europe Network-Luxembourg is making available its 'Watch Service - Public Markets' to interested locals free of charge until the end of December 2020. Public procurement can represent a real lever for developing a company's cross-border and international business. The watch service enables businesses, and in particular small and medium-sized ones, to have easy and regular access to tenders from the EU and the Greater Region. For further information and any questions about establishing a company profile, contact Niels Dickens, Deputy National Coordinator of the Enterprise Europe Network-Luxembourg of the Chamber of Commerce:

■ Contact: een-veille@cc.lu
or tel.: (+352) 42 39 39 - 371/333



14. The stabilisation plan also modifies taxation of teleworking for cross-border workers, to allow them to work at home during the crisis without being taxed in their country of residence.

© Annie Spratt

'The short-time working scheme is one of the major instruments enabling companies to cope with the drop in economic activity due to the Covid-19 health crisis.'





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15. 16. The government's stabilization plan includes a section on assistance for young innovative companies and startups.

© 15: Headway – 16: Social cut

- who can no longer work full time or no longer work at all:
 - because suppliers can no longer deliver raw materials for reasons due to COVID-19, or;
 - because of a significant decline in customer demand due to COVID-19, or;
 - if the company can no longer run at normal capacity or one or more departments are completely shut down due to staff shortages due to external decisions related to COVID-19.

In order to speed up and facilitate the procedure for applying for partial unemployment for force majeure linked to the COVID-19 crisis, ADEM, in close collaboration with the secretariat of the Economic Situation Committee (*Comité de conjoncture*) and the State Information Technology Centre (CTIE), has set up a new automated system which allows companies to submit their request for

partial unemployment via an online form on the site: <http://guichet.lu/cocp>. This request must be made each month for the current month and the previous month.

The request must be accompanied by a document co-signed by the chairman of the staff delegation or representative, or respectively by all the employees concerned in companies without a staff delegation.

If a request for partial unemployment was introduced as a simple precautionary measure and no hours have finally been idle, it will suffice to inform the ADEM as soon as possible, without other consequences for the company.

Once the request has been accepted, the employer will send a monthly claim declaration accompanied by individual files signed by the employees affected by partial unemployment as well as a statement of amounts, to ADEM, within two months of the month of partial unemployment. Then refunds can be paid.

On 27 March 2020, the Government Council approved an agreement concluded between the government and the presidents of the OGBL and LCGB unions.

This agreement provides that, if employers use the partial unemployment scheme in order to combat the economic and social consequences of COVID-19, the compensation allowance, which in principle corresponds to 80% of the normal reference salary capped at 250% of the minimum social wage for unskilled workers, cannot be less than the minimum social wage for unskilled workers.

Any difference between the amount of the compensation allowance and the unqualified minimum social wage will be borne by the Employment Fund.

In order to maintain employment and, therefore, avoid layoffs, Luxembourg labour law provides that companies may have recourse, under certain conditions, to different partial unemployment schemes, depending on the nature of the difficulties encountered. This system allows companies to keep their employees trained and equipped with skills essential for the proper functioning of their business.

In view of the current exceptional situation, the conditions for applying for and obtaining partial unemployment have been adjusted.

Companies make their requests thanks to secure authentication [LuxTrust product (e.g. Token, Smartcard or Signing Stick) or electronic identity card]. They also have the possibility of having their request submitted by their representative (a trustee), e.g. if they do not have a LuxTrust product. The data collected will be processed by ADEM in an automated manner. The application was designed to be as simple as possible for businesses. From today, companies will have to use the form available at the Guichet to make their requests (requests by post, e-mail and fax will no longer be accepted).

Requests from companies that can no longer carry on their activities following government decisions of March 2020 will be directly processed by ADEM. The requests of other companies will be treated only after the agreement of the Economic Situation Committee. In both cases, and as



soon as the request is accepted, ADEM will pay an advance to the companies. This advance corresponds to 80% of the salaries of employees affected by part-time or short-time working and will enable companies to obtain liquidity quickly. After the end of the month, the company will have to make a detailed statement mentioning the hours worked. Based on this statement, ADEM will calculate the sums owed by the Employment Fund. In case of over payment, the company will be required to reimburse the excess.

Which companies are eligible for the new partial unemployment scheme linked to COVID-19?

Companies that can no longer carry on their activities following a government decision are automatically eligible for partial unemployment without the approval of the Economic Situation Committee.

All other companies which have undergone a downturn in activity linked to the COVID-19 crisis must receive the approval of the Economic Situation Committee in order to be eligible for partial unemployment.

Temporary employment agencies are also eligible regarding those employees whose assignment contract continues but who can no longer exercise their activity.

Which employees are eligible for the new partial unemployment scheme linked to COVID-19?

Employees on permanent and fixed-term contracts (contracts must be in progress at the time of the event of force majeure) and apprentices in initial and adult apprenticeships.

What about companies that have already applied based on the old form?

The requests received by the secretariat of

the Economic Situation Committee by mail, e-mail or fax must be remade via the Myguichet assistant. Given the extremely large number of requests received, this processing has been postponed.

The **stabilisation plan also modifies taxation of teleworking** for cross-border workers, to allow them to work during the crisis from their home without the related remuneration being taxed in their country of residence.

Family-related leave since 30 March 2020

Family-related leave has been extended to provide a solution for parents who are unable to care for dependent children under 12, or disabled children under 18, by other means.

However, this leave must be limited only to



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cases in which neither of the parents is able to take care of the child.

Thus, since Monday 30 March, it is no longer possible to use leave for family reasons in the context of limiting the spread of COVID-19 if the claimant employee, the other parent or another member of the household in question falls under the partial unemployment scheme provided for in Articles L. 511-1 et seq. of the Labour Code during the period for which the leave is requested.

In other words, if the other parent, either the father or the mother, or another member of the household, can take care of the child, in particular if s/he benefits from partial unemployment, then leave for family reasons cannot be used at the same time.

Likewise, if another form of childcare is available, for example a specific structure made available for childcare, then the

17. Greater flexibility in the payment of social security contributions will allow suppleness in cash management.

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Yannick Rotty
Employed via JobSwitch

'Lending a helping hand wherever I'm needed in the store'

How did you hear about JobSwitch?

Quite simply via social networks. I saw an ad that talked about this platform and explained what it was about.

What did you find interesting about the initiative?

When I went to JobSwitch, I saw that this tool was specially designed to facilitate the establishment of solidarity behaviour during the current crisis and facilitate the use of an available workforce during this COVID crisis. There are indeed many sectors, particularly food, which need staff.

Why and where did you apply?

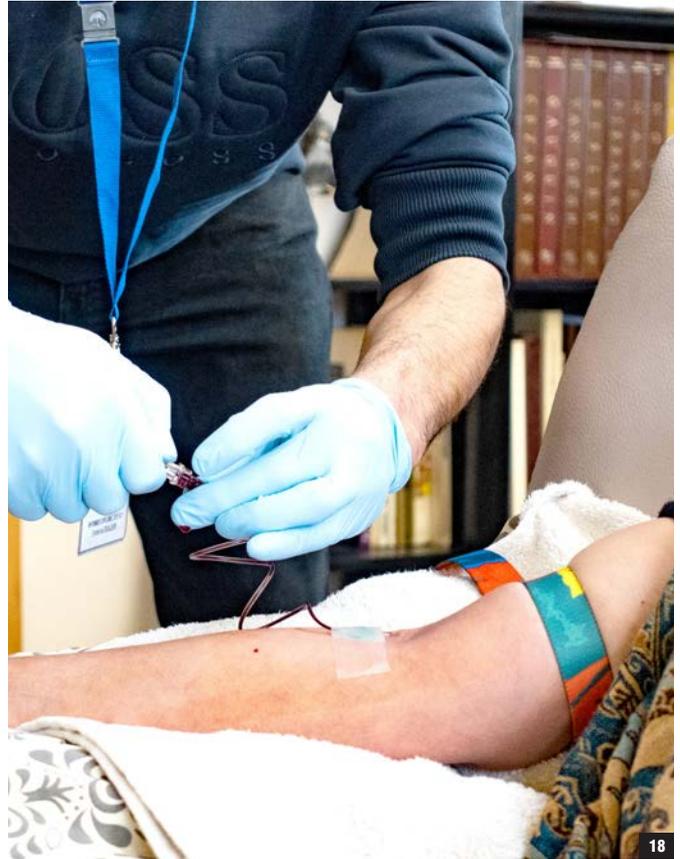
As I was myself looking for a job and available, I saw an ad that could match my profile and took the opportunity to apply. I was then contacted directly, because with experience in different sectors, my profile immediately interested the recruiter. I was quickly hired as a multi-skilled employee and after a half-day training course at Delhaize in Strassen, I was immediately able to go to the checkout and lend a hand wherever I was needed in the store. The platform is therefore a winner – a winner for me and for the recruiter because I have work and it makes it possible to operate essential services, such as the sale of essential goods and supplying food stores.



Letzshop for vulnerable people

In the context of the COVID-19 pandemic, the *corona.letzshop.lu* platform supports people who are unable to do their shopping themselves by taking advantage of the existing *letzshop.lu* infrastructure. The new platform offers a home delivery service, including more than 40 necessities, such as rice, pasta, milk, fruits and vegetables. In order to reach all vulnerable people, the *corona.letzshop.lu* platform is reachable not only via the internet, but also by telephone at: 8002 92 92. It applies to people aged over 65 and people who have diabetes, cardiovascular disease, chronic respiratory disease, cancer or weak immune systems due to disease or therapy.

18. Paid family support leave has been created to help employees in the private sector and the self-employed who are forced to stop working because an approved structure for people with disabilities or the elderly has been closed and this obliges them to take care of a disabled adult or a dependent elderly person living in their household.



parent cannot take leave for family reasons.

In addition, both parents (or spouses) cannot take leave for family reasons at the same time.

These limitations do not apply to teleworking which remains work which is carried out from the home and during which the parent cannot take care of the child.

A parent who has had to look after their child since 30 March 2020, must fill out and transmit without delay a new form available in French, German and English on the Guichet.lu portal: *guichet.lu/cocrf* and send it to their employer and the CNS (National Health Fund).

The self-employed can also take leave for family reasons under the same conditions as employees.

Family leave can be divided into days, half days or hours as required. Note that the requesting parent must inform their

employer(s), either orally or in writing, as soon as possible if they have to take leave for family reasons. The end of leave for family reasons within the context of COVID-19 will be determined by the government.

Family support leave

Paid family support leave has been created to help employees in the private sector and the self-employed who are forced to stop working because an approved structure for people with disabilities or the elderly has been closed and this obliges them to take care of a disabled adult or a dependent elderly person living in their household.

Most of the structures for people with disabilities and for the elderly, other than accommodation structures, had to close their doors as part of the fight against the pandemic. More specifically, these are reception and day care structures, and training and work structures.

These structures are used, in part, by elderly

people suffering from a considerable loss of autonomy who can no longer perform certain acts of daily life alone and therefore can no longer be left alone at home. But we are also talking about structures used by adults with disabilities, who are highly dependent on the assistance of a third person.

These people often live with a family member or loved one who has been forced to take leave to care for them.

Until now, there has been no specific leave for those caring for a dependent adult living with them.

In order to be eligible for family support leave, the following conditions must be met:

- the approved structure normally taking care of the disabled or elderly person has notified the Minister that it has had to stop some or all its activities because of the crisis;
- the private sector or self-employed

‘The bill passed on 1 April also provides for an increase in aid to startups - via the law on research and innovation - up to EUR 800,000 to support up to 70% of financing needs.’

worker is taking care of a disabled adult or elderly person residing in the same home;

- neither the private sector or self-employed applicant, nor another member of the household in question falls under the regime of partial unemployment during the period for which the leave is requested and no other means of care is available.

The duration of the family support leave cannot exceed the duration of the state of crisis and will end before the end of the state of crisis if the approved structure notifies the Minister of the resumption of its activities or of part of its activities. Leave can be split between members of a household but cannot be taken by them at the same time. The measure is applicable retroactively to 18 March 2020.

Private sector and self-employed workers must request a certificate from the Ministry of Families, Integration and the Greater Region attesting to the need for family support leave. This certificate will be considered as a medical certificate by employers and the CNS. The certificate must be sent immediately to the employer and to the CNS. A request for the certificate can be downloaded from the website of the Ministry of Families, Integration and the Greater Region:

www.mfamigr.gouvernement.lu or on guichet.lu

Family support leave is limited to the self-employed and employees in the private sector. In the public and municipal sectors, employees and civil servants may be granted exceptional service exemption.

For startups

The bill passed on 1 April also provides for an increase in aid to startups - via the law on research and innovation - up to EUR 800,000 to support up to 70% of financing needs.

This aid is allocated to young innovative companies. Eligible companies are small unlisted companies registered for a maximum of five years, which have not yet distributed profits and which are not a subsidiary. This definition applies to the requesting company and to all related companies. An innovative business is:

- capable of demonstrating, by means of an evaluation carried out by an external expert, that it will develop, in the foreseeable future, new, substantially improved products, services or processes compared to the state of the art in the sector considered, and which face a

- risk of technological or industrial failure, or whose research and development expenditure represented at least 10 per cent of its total operating costs in at least one of the three years preceding the granting of the aid or, in the case of a young seedling without financial history, during the current financial year, this figure being certified by an external auditor.

All expenses are eligible. The aid is capped at the amounts contributed in cash by the shareholders to the capital of the company. The aid for young innovative companies aims to support the growth of startups that can demonstrate market penetration and a strong capacity for expansion.

Webinars have been organised since April 2020 by the Ministry of the Economy, in collaboration with Luxinnovation, to announce the main support measures within the government's economic stabilisation programme from which startups can benefit. The experts present during the webinars will answer any questions that young innovative companies are asking in the current economic context. Information relating to the calendar and the registration process for the different webinars is available at: <https://www.startupluxembourg.com/webinars>



A host of online workshops

Many departments have developed a whole series of online workshops and webinars on their sites where they regularly publish the programmes and times of meetings. This is the case with the Chamber of Commerce's House of Entrepreneurship which is now offering all of these Go Digital workshops online at the same times (see Merkur agenda and www.houseofentrepreneurship.lu). The speaker shares their screen so that everyone can view the presentation live. In addition, the creation advisers also offer two online information sessions every week (in French and English) for the creation process. The House of Startups has also launched a webinar to support companies in their organisation during the crisis and the House of Training is preparing a progressive implementation of distance courses and virtual classes and personalised distance coaching sessions. There are also many other webinars offered by Nyuko and the Ministry of the Economy that can provide a wealth of answers to entrepreneurs during the crisis.



Covid-19: stabilisation programme

Find the measures of the government's economic stabilisation programme in our detachable poster at the end of the magazine.

19. The corona.letzshop.lu platform supports people who are unable to do their shopping themselves by taking advantage of the existing letzshop.lu infrastructure. The new platform thus offers a home delivery service, including more than 40 necessities, such as rice, pasta, milk, fruits and vegetables.

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In addition, in order to support Luxembourg's startups, the Ministry of the Economy, in collaboration with Luxinnovation, launched a call for projects on 9 April 2020 called 'StartupsVsCOVID-19'. Aimed at young innovative companies, the call for projects relates to the development of innovative technological products or services intended to limit or even overcome the economic, health or societal effects COVID-19. Up to 20 selected projects will each receive financial support up to EUR 150,000. The projects selected must be developed and put on the market within six months.

And culture

Aid developed by the Ministry of Culture to support a sector shut down by containment measures has also been added to the stabilisation bill. The 2014 Law on independent artists and intermittent workers has been amended to limit the impact on the income and calculation of the rights of these workers for 2020.

The aid is intended to double the anticipated remuneration of self-employed artists in this difficult time to reach the level of the minimum social wage. Intermittent workers will be allocated 'up to 20 additional daily allowances per month for the duration of the crisis, in the event of involuntary inactivity compared to the 121 daily allowances provided for in 'normal' time' so as not to risk losing their status when 2020 is reviewed.

Support for companies that are reorienting themselves to produce masks and hydroalcoholic gel

In order to meet the growing need for

protective masks and hydroalcoholic gel, the General Directorate for Small and Medium-Sized Enterprises has decided to support companies that are reorienting their production chain to make these essential goods. Consequently, 100% of the investment costs linked to the reorientation of this production will be borne by the GD through so-called 'de minimis' aid. The granting of this financial aid will be limited to the period of the health crisis. Companies investing in infrastructure intended to set up a teleworking system can also submit a request for financial assistance under the general investment aid scheme granted by the GD.

Interested companies are invited to contact the GD by telephone: 2477-4705 or e-mail: info.aide.pme@eco.etat.lu

Aid of EUR 30 million linked to the development and production of products in the fight against COVID-19

As part of the economic stabilisation programme, on 8 April, the Government Council approved a proposal from the Minister of the Economy, Franz Fayot, to set up a scheme to support both industrial research and experimental development projects as well as investment projects to produce and develop products helping to combat the COVID-19 health crisis.

The R&D projects that might benefit from aid may, for example, be research and development on medical devices or else focused on hospital equipment such as ventilators, protective equipment or disinfectants as well as process innovations allowing more efficient manufacturing of the necessary products.

An industrial research and experimental development project can be supported up to 80% of the costs or even up to 100% if it is a fundamental research project. If the R&D project is carried out within the framework of a cross-border collaboration with another company or research organisation, the intensity of the aid can be increased by 15% so long as it does not exceed 100% of the costs.

Investment projects are eligible for a subsidy if they relate to the production of products relevant to the fight against COVID-19, medical devices, hospital and medical equipment (protective clothing and



equipment, ventilators, diagnostic tools, disinfectant). Such an investment project may receive aid up to 80% of the investment costs. The aid rate can be increased by 15% if the investment project is fully completed within two months.

As part of this investment aid, the company can also request a guarantee to cover any losses linked to this investment. The amount of the guarantee depends on the duration of the production period but is however limited to 30% of any loss and to an absolute ceiling of EUR 500,000.

For the two types of support, namely aid for research projects and aid for investment linked to the production of relevant products, a total financial envelope of EUR 30 million is planned.

Possibility of increasing working hours

Due to the increased activity in essential sectors authorised by the government, companies can, under certain conditions, request the Ministry of Labour, Employment

and the Social and Solidarity Economy to increase the working hours of their employees to a maximum of 12 hours per day / 60 hours per week. The request must follow strict rules and can be made electronically via the www.guichet.lu website.

Deconfinement?

As this Merkur magazine is being written, the Government Council has decided on the guidelines for a strategy of deconfinement balancing the imperatives of public health and the psycho-social and economic effects of the current confinement. The resumption of business is therefore programmed in successive phases and considered in terms of impact. By the time the magazine is published, the situation will certainly have changed further and it is even possible there could be a proposal to reintroduce more stringent confinement measures in the light of the decisions taken by the ad hoc group set up by the government to end this COVID-19 crisis and regularly assess the side effects of these measures and of confinement. —

Useful links and information

- 📍 www.cc.lu/covid19/
- Chamber of Commerce COVID-19 hotline:
☎ 42 39 39 445
- Ministry of the Economy's partial unemployment hotline:
☎ 8002 9191
- Ministry of Health and Inspectorate of Labour and Mines' hotline: ☎ 8002 8080
- 📍 www.Guichet.lu
- Aid to startups:
📍 www.startupluxembourg.com/support-measures-startups