

# Economic measures

COVID-19 info package – September 2020



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Business Agency

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## Additional economic measures for businesses

extended for the period of October 1<sup>st</sup> 2020 – July 1<sup>st</sup> 2021

In September the Dutch government has announced an extension of the support measures for businesses and entrepreneurs in the Netherlands. The third extension of support measures comes into effect as of October 1<sup>st</sup> and spans over a longer period than the previous ones: businesses will be able to claim support to help them cope with the corona crisis until the summer of 2021. There will be new conditions in place for some schemes. The key changes and additions are summarized below and include the following:

### **NOW 3.0: wages compensation scheme extended**

If you employ staff and your business loses turnover due to the corona crisis, you will be eligible to continue claiming compensation for wage costs from the [Employee Insurance Agency UWV](#). It is expected that NOW 3.0 will be open for applications on 16 November.

#### **CHANGED:**

- ❖ To apply for the first period of NOW 3.0, you must have a turnover loss of 20% or more. This percentage will be increased to 30% per 1 January 2021 for the second and third 3-month periods.
- ❖ You will need to apply for NOW 3.0 every 3 months: 1 October 2020, 1 January and/or 1 April 2021.
- ❖ The compensation in wage costs will gradually be reduced: from a maximum of 80% in the first 3 months (October - December 2020), to a maximum of 70% in the second period (January - March 2021), and a maximum of 60% in the third period of 3 months (April - June 2021).
- ❖ To compensate the previous measure, there will be an option to gradually reduce the total wage sum by 10, 15 and 20%. Businesses can decide themselves how they want to reduce the wage sum.
- ❖ If you dismiss staff due to economic reasons, this will no longer lead to a reduction in the NOW compensation you receive.

Read more about the new [NOW](#) scheme.

## Tozo 3: Means test introduced for self-employed professionals scheme

The temporary bridging measure for self-employed professionals, i.e. Tozo, will be extended until July 1<sup>st</sup> 2021. You can apply for income support or a business loan: this remains the same.

### New conditions will apply:

- For the Tozo 3 scheme you will have to pass a means test as well as the partner's income test that was introduced for Tozo 2.

### Means test

The means test is set up to ensure self-employed professionals can continue their business. What this means: the amount of money readily available to you, so cash, the balance from bank and savings accounts, shares, options and obligations, will be counted. If you have over €46,520 in these types of funds, you will not be able to apply for Tozo 3. Other assets, such as your private and business premises, protected pension funds, machinery, and supplies that you need to continue to practice your profession and keep your business viable, will not be counted in this means test.

### Exploring the labor market

Tozo 3 will allow municipalities to offer self-employed professionals support in finding a new or different occupation. From January 1<sup>st</sup> 2021 municipalities will assist you in re-schooling and coaching according to your needs.

### From Tozo 2 to Tozo 3

You can apply for [Tozo 2](#) until September 30<sup>th</sup> in your municipality of residence. Read [the article on Tozo](#) to find out more about the new Tozo 3 and the conditions that apply.

### Reimbursement Fixed Costs SMEs (TVL)

If you run an SME with less than 250 employees and your business loses more than 30% per 3 months due to the corona crisis, then you can apply for the continued Reimbursement Fixed Costs SMEs scheme, or TVL, after October 1<sup>st</sup>.

You can apply for TVL for a period of 3 months at a time, until June 1<sup>st</sup> 2021. To be eligible you need to meet a set of conditions, which is revised every 3-months since its introduction.

## The main differences between the first and second instalments of TVL are:

- ❖ After October 1<sup>st</sup> you will be able to claim up to €90,000 per 3 months.
- ❖ The turnover loss percentage required to apply is now 30%. This percentage will increase gradually after 1 January 2021.
- ❖ Businesses can apply every 3 months, so in total 3 times until 1 June 2021.

Read more about the terms for TVL and apply [here](#)

## Credit guarantee and loan schemes remain available

The following credit guarantee schemes for businesses will remain available after October 1<sup>st</sup> 2020:

- Credit Guarantee scheme for SMEs BMKB-C
- Business Loan Guarantee scheme GO-C
- Bridging loans for small companies KKC

## Tax Administration: 2 years to pay taxes for which a special extension was granted

You can apply for a special payment extension for several taxes to the Tax and Customs Administration until 1 October 2020. You will be awarded a 3-month extension and will have to start paying in January 2021 at the latest (sooner if you were granted the extension at an earlier date than 1 October). You will be given 2 years in which to pay the full amount.

Read more about the Tax Administration corona measures in the article [Tax and Customs Administration corona measures for businesses and employees](#).

## New measures: Focus on Investments

The government wants to stimulate investment, to foster economic growth. Public investments to the sum of €2 Billion (for example infrastructure projects) will be pushed forward. Also, the government will invest in a national scale-up facility and make €150 Million available to supplement the Regional Development Societies' (ROMs) funding capability, so that they can continue to support innovative SMEs. Thirdly, the government has allotted €255 Million to co-financing EU programs aimed at regional development, innovation, sustainability, and digitalization.

