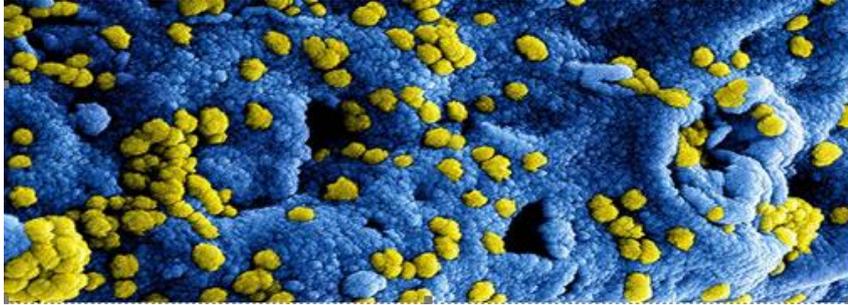


ALLOWANCE FOR FIXED EXPENSES CORONACRISIS MEASURE



As of June 30, 2020 the Dutch government offers an allowance of up to € 50,000 to small and medium sized enterprises (“SME”) and self-employed individuals to cover their fixed expenses. This measure is hereafter referred to as “TVL”. Below you will find which conditions apply and what Taxperience can do for you.

TVL (new scheme effective as from 30 June 2020)
SME’s and self-employed individuals in specific sectors such as:

- the catering industry
- recreation
- beach bars
- events
- fairs
- theaters
- gyms
- sauna and wellness centers

receive – on top of the wage costs allowance (see our general Corona measures update) - a tax-free allowance to cover their fixed costs. Depending on the size of the company, the level of fixed costs, and the amount of revenue loss (minimum 30 percent), an allowance to cover fixed costs can be claimed up to a maximum of € 50,000 for the months June, July, August and September.

Depending on the size of the company, the level of fixed costs, and the revenue loss, companies can claim an allowance to cover their fixed costs for an amount between € 1,000 and € 50,000 for four months (until September 30, 2020). You can receive an allowance up to a maximum of 50% of your fixed costs. The sectors covered by the current “TOGS-measure” are eligible. Please note: eligibility to this TVL measure requires a revenue loss of at least 30%.

Applications

If you have previously applied for the TOGS measure, you will now need to submit a new application for the TVL measure. Of course we would be happy to assist you with this application. Below we have listed the conditions that you must meet.

Conditions

The conditions that your company should meet are as follows.

- *Revenue loss*
Your revenue (revenue excluding VAT) should have reduced by at least 30% due to the Corona crisis in the period 1 June up to and including 30 September 2020. The same period in 2019 is used as a reference period.

- *Fixed charges*
During the period from June up to and including September 2020 your fixed costs amount to at least € 4,000, excluding salary costs (as for salary costs you can partially be reimbursed via the NOW subsidy)
- *Registration Dutch Chamber of Commerce*
You should have been registered in the Dutch Trade Register under one of the established SBI codes before 15 March 2020. A list of the established SBI codes can be found via this link: <https://www.rvo.nl/subsidie-en-financieringswijzer/tvl/vastgestelde-sbi-codes>
- *SME business*
Your company should qualify within the definition of an SME. Please find the definition included in the following link:
<https://www.rvo.nl/subsidies-regelingen/subsidiespelregels/subsidiespelregels-ministerie/ministerie-van-economische-zaken-en-klimaat/aanvraag-indienen/mkb-toets>
- *No state of bankruptcy or payment deferral scheme*
On 31 December 2019, or thereafter, your company was not benefiting from a Court approved payment deferral scheme (tax deferral schemes obtained due to the corona crisis may be disregarded in this respect). Your company was also not in a state of bankruptcy on 31 December 2019 or thereafter. Applying the TVL measure may also not cause your company's total governmental support to exceed € 800,000 in 2020.
- *Place of business*
Your company must be established in the Netherlands and be registered as such with the Dutch Chamber of Commerce and this address cannot be the same as your private address. For some SBI codes additional requirements or exceptions apply.
- *Other and additional requirements*
In addition to the above requirements, additional requirements apply to specific industries. Discuss your options with your Taxperience Tax Advisor.

Calculation of the allowance

The allowance to which you are entitled depends on the reduction in revenue, the level of your revenue and the share of fixed costs in your total costs. The following formula is used:

Subsidy = normal revenue x percentage reduction in revenue x percentage fixed costs x 50%

The normal revenue is your actual revenue in the period from 1 June to 30 September 2019. The percentage of fixed costs depends on your SBI code and is therefore based on an average for your sector. You do not need to determine this yourself.

Payment of TVL

If you meet the conditions of the TVL measure, you can submit an application until 30 October 2020 at the latest. Within 8 weeks you will obtain confirmation as to whether you are eligible. If so, you will receive 80% of the allowance in your bank account.

Final allowance

You should report the final reduction in revenue for the period 1 June 2020 up to and including 30 September 2020 no later than 1 April 2021. If this final calculation deviates from your earlier estimate, the final allowance will be corrected. In that case you may have to (partially) repay the amount received earlier. It is also possible that you will be paid an additional amount. Of course also the 20% of the TVL that was withheld earlier (see above) will be settled.

Finally

Please also see our earlier newsflashes which, among other things, include the corona measures listed below. We can support you in applying for / using all these measures.

- Temporary emergency measure for work retention (now)
- Temporary bridging scheme for self-employed individuals (“tozo”)
- Special deferral of payment
- Tax levy interest reduction & payment default interest and penalty
- Changing minimum business hours requirement
- Lowering the fiscal salary for directors / major shareholders
- Set-off of losses – corona reserve
- Deferral of mortgage payments
- Request reduction of provisional assessment
- Proposed legislation on borrowing from your own company
- Work related costs scheme
- Other measures

If you have any questions about any of these schemes, please contact us.

This document was prepared on July 7, 2020 .