



The Reimbursement of Fixed Costs scheme Q4 2020

From 25 November 2020, it will be possible for SMEs, including self-employed persons, who are directly affected by the corona measures to reapply for the Reimbursement of Fixed Costs (Tegemoetkoming Vaste Lasten, TVL) scheme. The Reimbursement of Fixed Costs scheme helps companies to pay their fixed costs, or a part thereof.

Who is it for?

The Reimbursement of Fixed Costs scheme is intended to help SMEs that have been affected by the corona crisis to pay their fixed costs for the months October 2020 to June 2021. The Reimbursement of Fixed Costs scheme is divided into three quarters:

- Q4 2020: from 1 October to 31 December 2020;
- Q1 2021: from 1 January to 31 March 2021;
- Q2 2021: from 1 April to 30 June 2021.

This flyer explains the conditions of the Reimbursement of Fixed Costs scheme Q4 2020.

Virtually every SME that was registered in the Commercial Register of the Chamber of Commerce on 15 March 2020 is eligible for the Reimbursement of Fixed Costs scheme for Q4 of 2020. Temporarily, the restriction regarding a target group of SMEs that have a certain SBI code does not apply for Q4 2020. Only public-law companies, credit and financial institutions and holding companies are excluded from the Reimbursement of Fixed Costs scheme.

You can apply for the Reimbursement of Fixed Costs scheme Q4 2020 if you have a loss of turnover of at least 30% and at least €3,000 in fixed costs in the period from October to December 2020 and you do not employ more than 250 employees. The Reimbursement of Fixed Costs scheme Q4 2020 amounts to a minimum of €750 and a maximum of €90,000.

The reimbursement

In order to ensure that there is no need to look at the actual fixed costs, the Government has set the fixed costs per sector as a percentage of turnover. These are fixed costs – such as depreciation of fixed assets and other operating costs – that do not relate to the cost of sales, labour costs, or other fixed costs (e.g. energy costs). Examples of other operating costs are rent, insurances, subscriptions, etc. The percentage of fixed costs of turnover is therefore fixed in advance per standard industrial classification (SIC) code. This is always based on the SBI code of your main activity. This means that it is not possible to use a different percentage, despite the fact that the actual fixed costs may be higher.

In order to qualify for the Reimbursement of Fixed Costs scheme Q4 2020, you must have a loss of turnover of at least 30% and fixed costs of at least €3,000. The Reimbursement of Fixed Costs scheme Q4 2020 compares the turnover from October to December 2019 (reference period) with the turnover from October to December 2020. This gives the percentage loss of turnover. Turnover is defined as all income without the VAT received and before deduction of costs and fixed charges. Turnover relates to both the main and any secondary activities. The result of the turnover comparison for Q4 2019 and Q4 2020 should be multiplied by the applicable percentage of fixed costs. The reimbursement then amounts to 50% of the outcome.

The calculation is therefore as follows:

Turnover reference period x percentage of turnover loss x percentage of fixed costs of the sector in question x 50% = amount of reimbursement.

On the basis of this calculation method, an advance payment of 80% is then made.

Alternative method of calculating the reference period

The reference period for SMEs that were founded in the period 1 October to 15 December 2019 or in the period 16 December 2019 to 29 February 2020, should be calculated differently as follows:

- An SME registered for the first time in the Commercial Register after 30 September 2019 and no later than 15 December 2019: the turnover in the three calendar months following the month of the start of operations;
- An SME registered for the first time in the Commercial Register after 15 December 2019 and no later than 29 February 2020: the turnover in the period after the day of commencement of activities to 15 March 2020 divided by the number of months whose turnover is taken into account, multiplied by 3.

SMEs that started operations in the period of 29 February 2020 and 15 March are entitled to a minimum subsidy of €750.

Please note: the amount of NOW subsidy received does not affect the amount of the Reimbursement of Fixed Costs for SMEs scheme, but the amount received under the Reimbursement of Fixed Costs for SMEs scheme does affect the determination of the loss of turnover for the NOW subsidy.

Catering Stock and Adjustments (HVA) supplement

Catering establishments that are obliged to close down will receive a one-off supplement, on top of the Reimbursement of Fixed Costs scheme Q4 2020. This supplement amounts to 2.8% of the loss of turnover and is a maximum of €20,160. The Catering Stock and Adjustments (HVA) supplement applies to SMEs whose registered main activity falls under one of the following standard industrial classification (SIC) codes:

- 56.10.1 (restaurants);
- 56.10.2 (fast food restaurants, cafeterias, ice cream parlours, food stalls, etc.);
- 56.29 (cafeterias and contract catering); and
- 56.30 (pubs, discotheques, nightclubs, etc.).

Catering establishments automatically receive this supplement if they are eligible for the Reimbursement of Fixed Costs scheme Q4 2020.

Conditions

In order to be eligible for the Reimbursement of Fixed Costs scheme, a number of branch-specific conditions must be met:

- There are a maximum of 250 employees;
- The company was founded and registered in the Trade Register of the Chamber of Commerce before or on 15 March 2020;
- In the case of an SME, which is not a hotel and catering establishment or an itinerant enterprise, at least one establishment has an address other than the private address of the owner or owners of the SME, or has an establishment which is physically separate from the private residence of the owner or owners of the SME and has its own entrance or access;
- As far as a catering establishment is concerned: rents, leases or owns at least one catering establishment;
- The company is not a public-sector company;
- The company keeps records in such a way that up to ten years after the final determination of the reimbursement it can always be deducted in a simple and clear manner that the recipient complies with the requirements of this scheme;
- The company is not active in the fisheries or aquaculture sector or in the primary production of agricultural products, and did not receive more than €800,000 in Government support in the context of the COVID-19 outbreak;
- The company has not petitioned for bankruptcy and has not filed for suspension of payments with the court.



Applications for an advance payment and subsequent determination

Applications for the Reimbursement of Fixed Costs scheme Q4 2020 can be submitted from 25 November 2020 to 29 January 2021 with eRecognition (all levels) and DigiD via the website of the Netherlands Enterprise Agency (Rijksdienst voor Ondernemend Nederland, RVO). The Netherlands Enterprise Agency will assess the application within eight weeks. The application must be accompanied by evidence of the turnover from October to December 2019 (e.g. copy of the turnover tax return) and an estimate of the loss of turnover. If you are not yet able to make a proper estimate of the turnover loss, we advise you not to apply for the reimbursement now but to do so at a later time. It is obviously important that you submit the application before 30 January 2021. In this way you run less risk of a set-off when the final determination is made. If you apply for a reimbursement later, however, you will also receive the advance payment later. Once the application has been approved, the reimbursement is usually transferred to you within three working days.

If you have made use of the Reimbursement of Fixed Costs scheme Q4 2020, you must request a final determination from the Netherlands Enterprise Agency before 30 June 2021. The reimbursement will then be determined within sixteen weeks after receipt of this request. This takes place on the basis of the actual loss of turnover in the months October to December 2020. Depending on the actual turnover figures, the set-off may involve an amount being claimed back or a subsequent payment.

Contact

Should you have any questions about one or more topics in this update, please contact one of our contact persons or your regular contact person.

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