

Additional agreements about the second Jobs and Economy emergency package (Emergency package 2.0)

We [recently](#) informed you about the extension and expansion of the economic measures as a result of the corona crisis in the first 'Jobs and economy emergency package', announced by the government on May 20, 2020. From a letter sent to the Lower House of Parliament on May 28, 2020, it appears that the government has further consulted with employer and employee organizations in response to Emergency package 2.0. This has resulted in a number of additional agreements about this emergency package. The government will announce more details soon, but for now the most important additional agreements are listed below.

- The government will extend the period for Emergency package 2.0 by a month, until October 1, 2020. This applies to the following measures in the package:
 - the Temporary emergency bridging measure to retain jobs (*Tijdelijke noodmaatregel overbrugging voor werkbehoud*; NOW 2.0);
 - the Overhead Compensation SMEs (*Tegemoetkoming Vaste Lasten MKB*; TVL);
 - the Temporary emergency bridging measure for self-employed persons (*Tijdelijke overbruggingsregeling zelfstandig ondernemers*; TOZO 2)
 - the Corona bridging loans (*Corona-Overbruggingsleningen*; COL);
 - the emergency tax measures that would end before October 1, 2020 unless the government takes further action, including the deferral of payment for tax debts;
 - the Temporary subsidy measure for payroll costs and loss of income for the Netherlands Caribbean (*Tijdelijke subsidieregeling loonkosten en inkomensverlies Caribisch Nederland*).

The additional, expanded or more accessible loans and guarantees to small and medium-sized enterprises in Emergency Package 1.0 (including the Government-guaranteed scheme for loans to small and medium-sized enterprises (*Borgstelling MKB-kredieten*; BMKB), the Business Loan Guarantee Scheme (*Garantie Ondernemingsfinanciering*; GO) and the Small Corona Loans (*Klein Krediet Corona*; KKC) will also continue for longer.

- NOW 2.0 will include a provision that could reduce the subsidy if redundancy on economic grounds is applied for during the subsidy period. Under NOW 1.0, a reduction of 150% of the payroll of the relevant employees applies, although on May 20, 2020 it was announced that under NOW 2.0 the reduction would be 100%. The letter dated May 28, 2020 now states that if 20 or more employees are made redundant on economic grounds and the Collective Redundancy Notification Act

(*Wet Melding Collectief Ontslag; WMCO*) applies, the final NOW subsidy will, in principle, be reduced by another 5%. This reduction, which will thus apply in addition to the above reduction of 100%, will not apply if i) the employer and the relevant employee representative body reach agreement on the redundancy application or ii) these parties request mediation by a committee to be appointed by the Labor Foundation (*Stichting van de Arbeid*).

- The maximum amount for the TVL will be increased from EUR 20,000 for three months to EUR 50,000 for four months. This takes into account the fact that the TVL is included as turnover for the purposes of the NOW. Applications for the TVL can be filed during June 2020.
- The government will examine whether companies in capital-intensive sectors with high overhead that are still experiencing a very sharp decline in turnover after October 1, 2020 and whose future is uncertain as a result of the government's corona crisis measures, can receive government aid.
- The second tranche of the COL, a measure to improve the liquidity position of innovative companies, will be increased from EUR 150 million (as announced on May 20, 2020) to EUR 200 million.

For the record please note that the NOW is administered by the Dutch Employee Agency (*Uitvoeringsinstituut Werknemersverzekeringen; UWV*), the TOZO by the municipality in which a business is located and the TVL – just like the TOGS – by the Netherlands Enterprise Agency (*Rijksdienst voor Ondernemend Nederland; RVO*).

Should you have any questions about the above, Meijburg's advisors would be pleased to use their expertise to help you minimize the tax and financial consequences of the corona crisis. We will of course keep you informed of any additional tax measures.

Meijburg & Co
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