

March, 24<sup>th</sup> 2020

## COVID 19 CRISIS - Measures taken by Belgian National Security Council

As announced on March 10, the evolution of the spread of the coronavirus is **assessed every day**, as the situation is constantly changing. In light of the most recent developments, the **National Security Council met on Thursday 12 March** in the presence of and in consultation with the Ministers-President. This meeting of the NSC followed on from the meetings of the expert groups, namely the Risk Assessment Group and the Risk Management Group.

The decision was to **reinforce the current measures with additional social distancing measures** aimed at the **same objective**: to prevent the epidemic from spreading. This phase ensures better coordination and information on the measures taken by the various entities. **The measures announced will apply throughout the country.**

All levels of authority share the **same commitment to coordinated action, communication and implementation** for the measures decided. We want the same decision to be applied consistently throughout the country. The primary objective is to protect public health.

These measures are **in effect from Friday midnight until 3 April**. As before, the ongoing situation will be assessed on a daily basis.

### 1. Schools

- Regarding schools, all lessons are suspended. Childcare will be organised, **especially** for children of medical and healthcare staff and staff working in safety and security roles (public safety and security). If the only childcare that is available for children involves elderly persons, these children will also be able to go to the schools.
- Nurseries will remain open.
- For **universities** and **colleges of higher education**, the recommendation is to **develop remote learning modules**. These schools will not be closed, but are encouraged to provide alternatives to traditional courses in lecture halls or in confined spaces.



## 2. Commercial and recreational activities (sports, culture, folklore, etc.)

- All activities are cancelled, regardless of the size of the event and whether they are public or private.
- Discos, bars and restaurants, among other locations, remain closed.
- Hotels will remain open, except for their restaurant.
- Home delivery and drive-in are allowed.
- **Shops will be open during the week, but not on weekends.**
- **Food stores and pharmacies will be open, even on weekends.** However, they are advised to step up hygiene measures following the recommendations already made.

## 3. Work

- Everyone should keep working as much as possible, but **working from home should be encouraged and, if necessary, reinforced.**


## 4. Public transport

- Public transport will continue to function normally, but **trips** should be limited to only those that are **necessary**. Flexible working times should prevent overloading public transport.

Please note that these measures complement the recommendations already made. The reinforced phase two continues to apply.

We are well aware that these decisions will impact the economy, and certain industries in particular. In this respect, on 6 March, the Council of Ministers had adopted ten measures in support of business, namely:

- Temporary unemployment due to force majeure
- Temporary unemployment for economic reasons
- Payment plan for employers' social security contributions
- Payment plan for VAT
- Payment plan for withholding tax
- Payment plan for personal income tax/corporate tax
- Reduction of tax prepayment for self-employed persons

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- Postponement of or exemption from payment of social security contributions for self-employed workers
  - Entitlement to replacement income for self-employed persons (droit passerelle/overbruggingsrecht/bridging right)
  - Flexibility in the performance of federal government contracts

These measures will be constantly monitored, with a view to strengthening them where necessary.

## 5. Measures taken by the tax authorities

Businesses are granted the following temporary extensions of the deadline to file tax returns and pay taxes:

### INCOME TAXES

- For corporate, legal entities, non-resident tax returns with a deadline between 16 March and 30 April 2020, an extension is granted until 30 April 2020
- The deadline for paying wage withholding tax for February and March/Q1 2020 is automatically extended by 2 months
- The payment of income taxes related to AY 2019 and established as from 12 March 2020 is automatically extended by 2 months
- The ruling commission introduced a special 'fast track' procedure for the home work allowance of 126,94 EUR. All employees working at home due to special Corona measures will be entitled to the maximum amount of 126,94 EUR without a distinction in function categories. The new home work allowance will replace the current 'office' allowance if applicable. The ruling can be obtained in a few days, following a special procedure.

### VAT

- The deadline for filing VAT returns and intra-Community statements for February and March/Q1 2020 is extended to 6 April and 7 May 2020, respectively
- For starters and businesses with a monthly VAT refund licence that wish to receive a monthly repayment of VAT credit, an extension of the filing deadline of the VAT return is granted until the 24th of the month following the return period
- The deadline for filing the annual sales listing is extended to 30 April 2020
- The deadline for paying VAT for February and March/Q1 2020 is automatically extended by 2 months

### Audit

- Non-essential tax audits on the premises of the taxpayer are postponed.

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Businesses can ask for support from the tax authorities regarding their tax debts. This support covers:

- a payment plan,
- an exemption from late payment interest,
- a waiver of fines for non-payment.

Specifically, this support can be requested for the following tax debts.

- Corporate Income Tax and Income Tax on Legal Entities;
- Value Added Tax;
- Wage Withholding Tax;
- Personal Income Tax.

#### **WHEN ARE BUSINESSES ELIGIBLE FOR SUPPORT?**

Businesses are only eligible for support if they are adversely affected by the Coronavirus crisis and if they are able to substantiate that (e.g. a drop in turnover, a serious drop in orders and/or reservations, a result of a domino-effect within a group, etc.). Businesses are not eligible for support if they are already facing structural payment difficulties.

Support is also conditional upon compliance with the timely filing of tax returns. Support will be withdrawn if a collective insolvency procedure (e.g. bankruptcy) arises.


#### **6. Measures taken by the social security authorities**

An extension is granted of the deadline for paying social security contributions for the first and second quarter of 2020 until 15 December 2020.

Businesses can also request a payment plan for their social contributions which are due for the first and second quarter of 2020. This plan allows for payment to be spread over a maximum of 24 months.

Businesses must file a specific application form wherein they must provide evidence of the financial impact of the crisis on their business. The form can be found [here](#).

Businesses can also invoke temporary unemployment as a result of “overmacht/force majeure”. This possibility can be widely applied as from 13 March 2020. Employees will benefit from a temporary increase of their allowance in the event of temporary unemployment. The “RVA/ONEM” will bear an amount of 5,63 EUR/day of unemployment. All allowances would be paid out in April. If not, an advance of 1.450 EUR will be paid.



On 20 March 2020, the Belgian social security authorities published an update of their quarterly instructions, specifically with respect to the COVID-19 measures.

NL: [Social zekerheid: onderneming](#)

FR: [Sécurité sociale: entreprise](#)

Particularly interesting is the confirmation that a possible supplementary pay of the employer, in addition to the temporary unemployment allowance foreseen by the Federal authorities and the RVA/ONEM, can be allocated to the employee with exemption of Belgian social security provided that the eventual total net pay (allowance + supplement) will not be higher than the regular net salary should the employee have worked.

In case of questions, do not hesitate to contact your social law team.

## 7. Measures for the self-employed

An extension is granted of the deadline for paying social security contributions for the first and second quarter of 2020 until 15 December 2020. The self-employed can also benefit from support regarding their social security contributions in the form of a reduction, delay or exemption of payment. If you are obliged to interrupt or stop your activity because of the crisis you can apply for a replacement income.

Self-employed should contact their social security fund:

NL: [Sociale verzekeringsfondsen](#)

FR: [Caisses d'assurances sociales](#)

## 8. Measures taken by the Flemish government

- The assessment notices regarding immovable withholding taxes will only be sent in September 2020 (instead of March 2020)
- The government has provided a budget for guarantees for bridging loans which businesses are forced to contract in order to be able to pay their bills
- When small businesses are forced to close their business, they can apply for a tax-free premium to compensate for their loss of business.
- The assessment of car taxes will be postponed by 4 months

The Flemish authorities will show flexibility regarding the conditions for support measures and subsidies which have already been granted to businesses.

[Click here for more information on Flemish support measures.](#)

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## 9. Measures taken by the Walloon government

The Walloon government has created a [crisis fund](#) of 100 million EUR to support sectors affected by the coronavirus crisis.

### TAX MEASURES

- Taxpayers will benefit from a suspension of the tax payment deadlines during the crisis
- Deadlines for claims against assessment will be frozen
- Negative administrative decisions will be frozen. However, all positive decisions will be applied.
- Moderation of current recovery procedures, payment plans will be facilitated
- All physical and correspondence audits are eliminated
- Administrative fines for the mileage tax will be moderated.

### OTHER MEASURES

- (Very) small businesses in certain sectors can ask for a tax-free compensation if they are forced to close
- Mobilization of regional agencies (SOWALFIN, SOGEPa-Wallonie Santé Group, SRIW) via loans, guarantees, frozen reimbursements, etc.
- [Overview of additional support measures](#) taken by the Walloon government

## 10. Measures taken by the Brussels government

The Brussels government has also taken a series of measures totaling 110 million EUR including:

- A one-off tax-free premium for some sectors (horeca, travel, retail, ...) which are affected by the emergency measures and are forced to close.
- The abolition of the regional City Tax for the first semester of 2020.
- Government guarantees on bank loans for 20 million EUR.
- The accelerated treatment of grants of expansion support for certain sectors (horeca, tourism, culture and events).
- More details are available on the website of the Brussels authorities ([NL](#) / [FR](#)) (cfr. measures for businesses in Brussels).



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