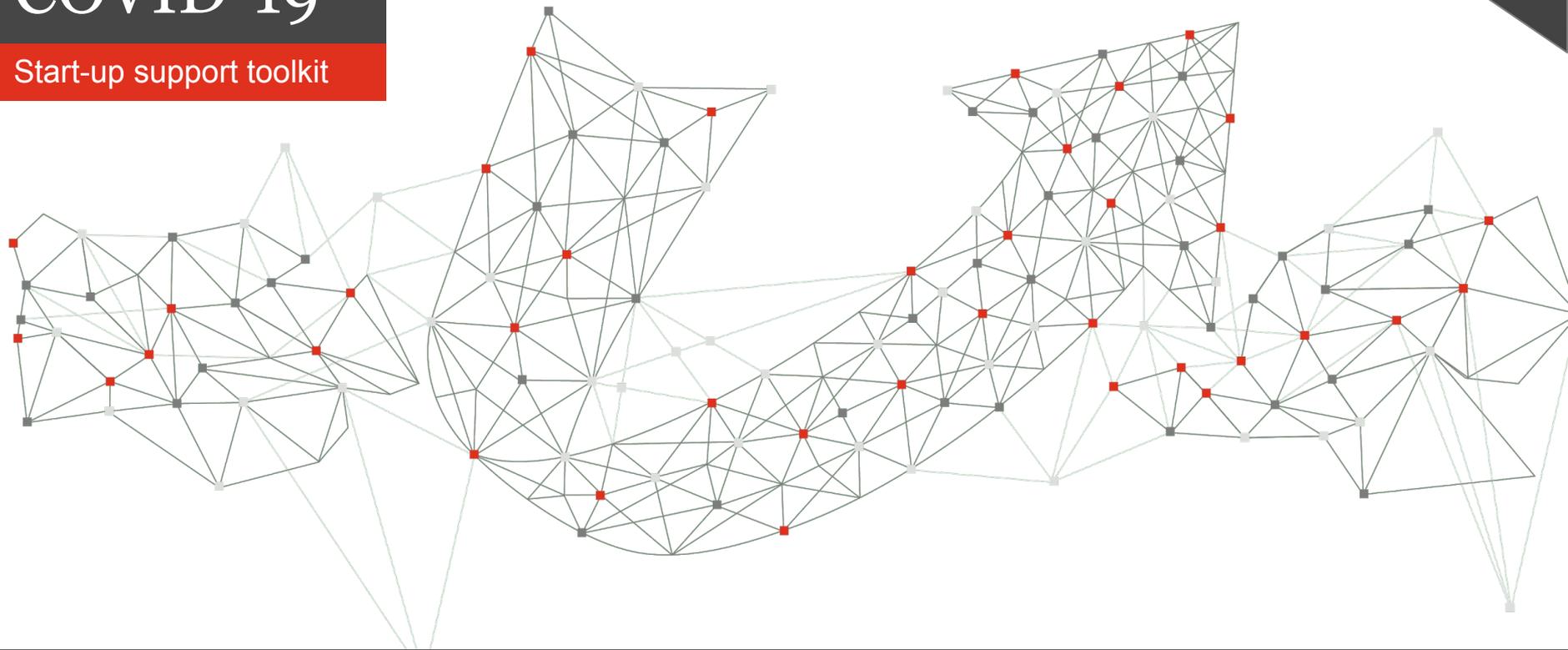


COVID-19

Start-up support toolkit

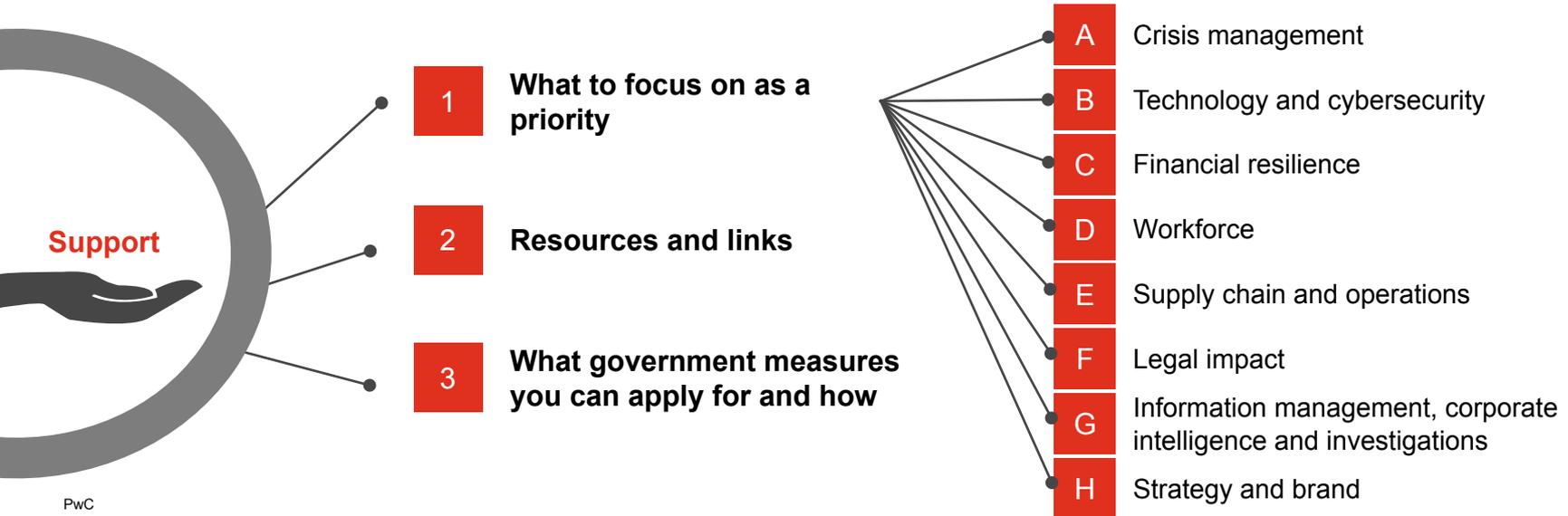
Updated version



Dealing with today's challenges while anticipating those of tomorrow

Companies of all sizes are facing enormous uncertainty as a result of COVID-19. With the situation changing rapidly, it can be hard to keep up with developments that may impact your business or know where to find resources that provide answers to the challenges you face. This document provides a wrap-up of relevant information and resources that you can turn to to help you conquer this crisis. The information it contains will be updated on a regular basis.

In this overview, you can find information on:



A network diagram with nodes and connections, featuring a large white number '1' and a red text box.

1

What's important
right now?

Common challenges

[Link](#) to website for more information
[Link](#) to watch the webinars

Health and safety

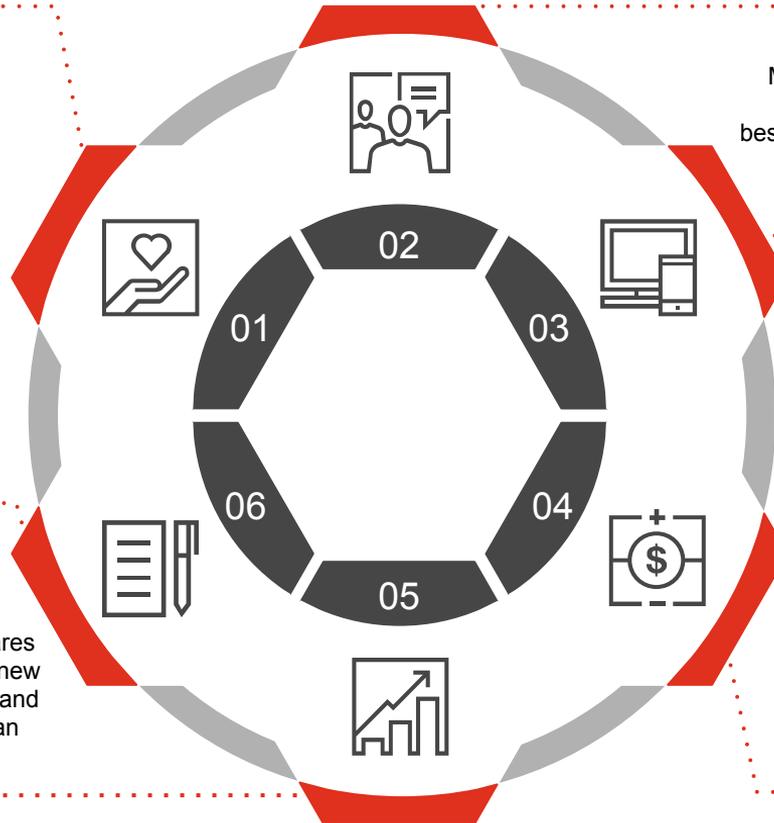
Make sure all employees are able to work in safe circumstances, within government guidelines, and stay closely connected.

Breach of contracts and legal impact

Call upon *force majeure* measures and react to their abuse.
Understand all contracts and renegotiate where needed.
Request protection against creditors to gain time building a plan.

See opportunities and protect traction

Assess whether a pivot in the short term prepares you better for this crisis or helps you leverage new opportunities. Keep business development up and running. Conversion might drop, but traction can still be generated.



Communication's key

Map all internal and external stakeholders. Set a clear and rapid communication plan. Build best-practice templates for employees. Stay true to your corporate culture.

Technology and cyber

Connectivity's crucial for business continuity. Assess the best options and tools for remote working, and re-assess the situation on a regular basis.

Financial liquidity

Focus first on short-term cash needs. What measures could relieve cash outs in the short term?
Build several mid-term scenarios taking into account different sales and pipeline assumptions. Assess what investments and costs are not crucial/flexible.
Understand your runway until the next financing round and consider all options.

A network diagram with nodes and connections, featuring a large white number 2 and a red text box.

2

Useful resources
and links

PwC initiatives

PwC: Multi-country overview

Throughout the world, countries take a multitude of measures in an effort to limit the economic impact of COVID-19. The PwC network has compiled an [overview](#) of the different measures that are available to support businesses in +50 countries around the globe. This overview will be regularly updated to keep pace with the fast-evolving environment we currently operate in.



Pascal Janssens

Tax Partner

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[Link](#) to website for more information

PwC Scale: Accelerate growth

PwC Scale programmes help fledgeling firms **grow their business and overcome today's uncertainties**

Why join?

- To accelerate business development and help you drive innovation for corporations.
- Business training and knowledge sharing tailored to make an impact in challenging times.

What can you expect?

- Access to PwC and partners
- Boost your sales
- Get ready to scale
- Expand your network
- Publicity and exposure



Find more information [here](#).

PwC initiatives

PwC: COVID-19 Navigator

COVID-19 (coronavirus) presents significant challenges to people and organisations around the globe and the disruption continues to evolve. It's important that we prepare for, respond to, and ideally emerge stronger from this “new normal.”

PwC's team of specialists collaborated to create a digital assessment to help you understand the potential impact to your business and gauge your readiness to respond.

[The digital tool](#) contains 3 sections of questions that will help you understand where your company stands as you respond to COVID-19 in the areas of: crisis management and response; workforce; operations and supply chain; finance and liquidity; tax and trade; and strategy and brand.



[Link](#) to website for more information

COVID-19 : Interesting information from our Network

PwC: Opportunities in time of crisis



The most valuable European tech and internet companies lost a combined €383 billion in value since 31st January 2020. At PwC, we believe there will also come opportunities for strategic CVC and technology M&A.

See PwC Germany's analysis of the situation [here](#).

PwC UK: Flash Survey of venture investors



See our flash survey results of 80+ venture investors. It is promising to see that there is an appetite for new investment with 73% of investors still open for business, focusing on both their current portfolio and new investment opportunities.

See PwC UK's survey results [here](#).

Other initiatives

Sales Impact Academy



- Free live online support webinars
- Access to Sales Impact Academy's online live-streaming platform (free April 2020 – June 2020)

More info [here](#)

PropTech Lab



PropTech Lab has published an analysis of what PropTech start-ups are doing to fight COVID-19 and help companies digitise their businesses. In addition, they are organizing free webinars as well: more info [here](#).

Relevation



PwC is proud to support Relevation, the digital fundraising summit for PropTech start-ups. This 2 days event, which has an impressive speaker line-up, aims at connecting PropTech start-ups with investors in a tailored way.

More info [here](#)

#AMSGivingback



Antwerp Management School has launched a number of initiatives, including free webinars on several COVID19 related topics, to give back to society with their knowledge. On June 5th, AMS will host a webinar focusing on corporate venturing in the context of COVID19.

More info [here](#)

BlueHealth Innovation Center



BlueHealth published five tips for start-ups to adjust strategy.

On top of that, they also host several webinars: more info [here](#)

More info [here](#)

The Harbour



During the COVID-19 crisis, liquidity's one of the main challenges for start-ups. The Harbour helps you analyse your situation and see how you could increase your liquidity and get through this difficult time.

More info [here](#)

Other initiatives

Netwerk Ondernemen

Every disadvantage has its advantage or turns a problem into an opportunity. Therefore, Netwerk Ondernemen gathered tips, initiatives and measures for start-ups to get through the COVID-19 situation.



More info [here](#)

Entreprendre.Wapi

Entreprendre.Wapi took the lead in order to communicate and help the self-employed persons and start-ups in Wallonia Picardie to understand the new measures due to the COVID-19



More info [here](#)

Vlaanderen Digitaal

The Flemish Government has published a website of offerings (from companies, organisations and volunteers) that can help other organisations during this crisis in a digital way. Several start-ups are mentioned with innovative solutions, as well as specific PwC offerings.



More info [here](#)

Réseau Entreprendre

In addition to the government's measures, Réseau Entreprendre gathered some pieces of advice in order to help self-employed people and start-ups.



More info [here](#)

European Commission : ESCALAR

The European Commission will provide up to €300 million aiming to increase the investment capacity of venture capital and private equity funds, triggering investments of up to €1.2 billion, or four times the original investment, to support promising companies.



More info [here](#)



3

What government measures
can I apply for?

Government support – FEDERAL

Tax measures

General tax measures

- Premiums and aid granted by the federated entities to support economic operators in the context of the COVID-19 crisis **exempt from taxes**.
- In addition, the federal government has asked local authorities to **freeze the collection of municipal taxes** on the economic activities of the companies affected by COVID-19 on a *pro rata temporis* basis.
- Increase of the tax credit related to the advance tax payments to be made for the third and fourth quarters of assessment year 2021 to 6.75% and 5.25%.

VAT and withholding tax

Filing

- **Postponement of the filing deadline** for monthly and quarterly VAT returns and EC Sales listings by two months.
- If benefitting from a monthly VAT refund, **extension of the filing deadline** until the 24th of the month following the reporting period.
- **VAT client listing** due on 31 March 2020 is postponed until 20 April 2020.

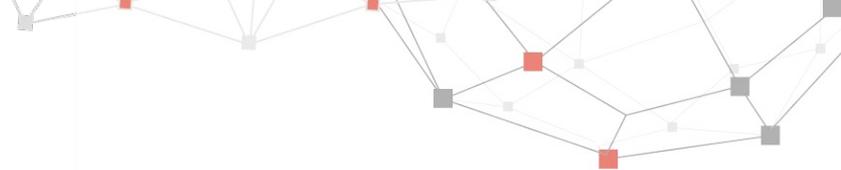
Payment VAT & Withholding Tax

- Until 30 June 2020, it'll be possible to **spread VAT and withholding tax payments** and be exempt from the usual fines, provided payment difficulties are related to COVID-19. Payment arrangements (payment by instalment; exemption of late payment interest; remission of fines due to non-payment) can be requested [here](#).
- All payment deadlines of VAT and withholding tax are automatically extended by two months, without any fines.

Other

- No VAT will be due on donations of medical materials to hospitals
- COVID-19 as exceptional circumstances occurred during the taxable period, justifying the write-down on trade receivables on entities having a backlog in payments following
- Temporary tax exemption of profits in anticipation of losses realized in the COVID-19 period and introduction of a "reconstitution" reserve. More info [here](#).

Government support – FEDERAL



Tax measures

Income Tax/Corporate Tax

Filing

- Postponement of the filing deadline to 30 April 2020 for tax returns normally due by 16 March 2020.

Payment

- All payment deadlines are **automatically** extended by two months, without any fines.
- To the extent that it's demonstrated that the taxpayer has payment difficulties due to COVID-19, it's possible to request postponement of payment for personal income tax and corporate tax. Payment arrangements (payment by instalment; exemption of late payment interest; remission of fines due to non-payment) can be requested [here](#).

Social security and employment

Social Security

For Independent Workers (FR/NL)

- Independent workers may request **postponement of social security contributions** for the two first quarters of 2020 until 15 December 2020. They may also request reduction of or exemption from the contributions. The payment difficulties must be related to COVID-19.
- In addition, they're eligible for a **replacement income** if they're forced to stop their activity.
- The financial support amounted to 1,291.69 euros per month if they had no dependants and 1,614.10 euros if they had dependants. This support was allowed until the third of May.
- The replacement income's paid automatically to self-employed individuals whose activities are stopped or restricted as a result of the preventive measures taken by the National Security Council.
- Other independent workers are entitled to a replacement income after an interruption of their activity for seven days.

For Employers

- **Social security contributions** for the first two quarters of 2020 may be **postponed** until 15 December 2020. Social security contributions for these quarters may also be paid in instalments over a period of maximum 24 months.

Government support – FEDERAL

Social security and employment

Employment

Temporary unemployment due to COVID-19

- Companies only have to **submit an application** mentioning COVID-19 as the reason. No justification is needed. [Link](#) to website for more information.
- It's not required that the company closes completely. Working days and unemployment days can be alternated and this for each employee individually.
- The reference rate is increased from 65% to 70% (capped at 2,754.76 euros to be paid by social security services). In addition, the social security services will pay a daily supplement of 5.63 euros per day of unemployment.
- A withholding tax is applicable to these temporary unemployment benefits. This withholding tax rate will be (lowered to) 15% until the end of the year 2020, instead of the usual 26,75%.
- Days of unemployment are taken into account to calculate holiday pay. Finally, the social security system (RVA-ONEM) will pay a daily supplement.
- No salary will be due by the employer. Employers can however grant a voluntary supplement. This will be free from social security taxes, if not higher than previous net wage.

COVID-19 Parental leaves

- From 1 May to 30 June 2020, parents can reduce their work performance by 20 or 50% in order to take care of children under 12 years old.

Temporary unemployment due to *force majeure*

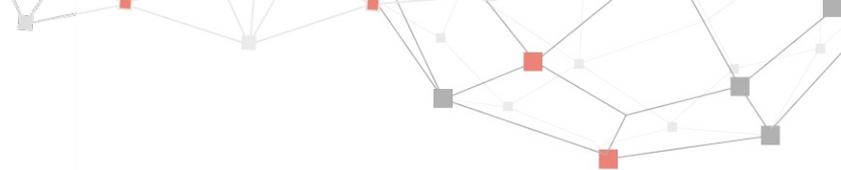
Employment agreements of (some) employees can be suspended, meaning:

- No salary is due
- Employees are entitled to unemployment benefits (65% of the capped gross monthly salary, capped at 2,754.76 euros)

Temporary unemployment due to *economic reasons*

- Employees are entitled to unemployment benefits (temporarily increased to 70% of the capped gross monthly salary, capped at 2,754.76 euros). Legal supplement is due by the employer.
- Seven days waiting time

Government support – FEDERAL



Public procurement

- Penalties for delays or on-implementation in public procurement contracts aren't applied, where it's demonstrated that the delay or non-implementation is due to COVID-19. The federal government's also asking administrations to accelerate the payment period for public procurement service providers.

Financial support

Loan suspension

- The financial sector agrees to grant viable, non-financial businesses and the self-employed, as well as mortgage borrowers with payment problems as a result of COVID-19, postponement of payment until 30 September 2020 without charge (please contact your own financial institution in this respect).

Guarantee

The federal government will activate a guarantee scheme for all new loans and credit lines with a maximum duration of 12 months, which banks can provide to viable non-financial businesses and the self-employed. In this way, funding to the economy will be maintained.

The guarantee scheme will have the following characteristics:

- A total guarantee amount of 50 billion euros.
- All new additional loans and credit lines with a maximum maturity of 12 months (excluding refinancing loans) provided until 30 September 2020 will be covered by the guarantee scheme.
- Upon expiry of the guarantee scheme, the amount of losses incurred on loans under the guarantee scheme will be assessed. The burden will be shared between the financial sector and the public sector.

Government support – FEDERAL

Financial support

Insurance

- The insurance industry points out that some insurance cover (industrial accidents, civil liability, etc.) already provides for a subsequent adjustment of the premium in the event of a reduction in activities. This adjustment is charged automatically.
- In addition, companies forced to cease operations at the request of the authorities can obtain a deferral of payment, in consultation with their insurer, for all premiums due between 30 March 2020 and 30 September 2020. For any other possible measures concerning the suspension of contracts, companies are recommended to contact their insurer or intermediary directly.
- Regarding loans granted to companies, insurers will also align themselves with the conditions already defined for the banking sector, i.e. a deferral of the repayment of the credits (interest payments and principal repayments) until 30 September 2020.



Government support – BRUSSELS

[Link to website for more information](#)

Tax measures

- Exemption from the "City Tax" for the first semester of 2020.

Financial support

Subsidies

- The government will grant a one-off premium to all institutions affected by the emergency measures and that are required to close.
- 2,000 euros premium to support entrepreneurs and micro-enterprises (from 0 to 5 FTEs) who are experiencing a significant drop in activity due to the measures taken to combat the spread of Covid-19

Guarantee

- Providing public guarantees, via the Brussels Guarantee Fund, on bank loans for a total amount of 20 million euros.

Loan suspension

- Moratorium on the capital repayment of loans granted by [finance&invest.brussels](#) to affected companies

Sectoral measures

Hospitality

- Introduction of loans at reduced rates for main suppliers to the hospitality industry (enabling them to offer a payment deferral to hospitality businesses) and for hospitality businesses with more than 50 employees.

Hospitality, Tourism, Events and Culture

- Accelerated or even early processing, granting and payment of support by [finance&invest.brussels](#) for economic expansion in the hospitality, tourism, events and cultural industries.

Government support – FLANDERS

[Link to website for more information](#)

Tax measures

- Property tax assessments for companies will be issued at a later date to prevent companies from running into liquidity problems.
- Four months deferral of annual traffic tax
- Extension of terms for inheritance tax and registration tax.
- Allowing installment plans.

Social security and employment

- The Flemish partial employment scheme that already existed to encourage employees to work part-time and thus avoid layoffs was extended to companies that experience a decline of at least 20% in turnover, production or orders compared to the previous year. The monthly premium for the employee is between 68 euros and 172 euros and can start at the earliest on 1 April 2020 and end at the latest on 30 June 2020.

Financial support

Subsidies

- Companies affected by a complete closure receive a one-off premium of 4,000 euros. If they've to close their business for longer than 21 calendar days, they receive a compensation of 160 euros per day.
- Self-employed persons with a decrease of 60% of their turnover due to the COVID-19 can ask a compensation of 3000 euros.

Government support – FLANDERS

[Link to website for more information](#)

Financial support

Loan suspension

- Beneficiaries who, as a result of the crisis, find it difficult to meet the deadlines provided for one of the grants below, can consult with the agency about the possibility of extending these deadlines. The following subsidies are concerned:
 - Baekeland-mandaten, Ecologiepremie+, ICON: subsidies voor coöperatief vraaggedreven onderzoek, Innovatiemandaten (IM), Onderzoeksproject, Ontwikkelingsproject, Strategische ecologiesteun (STRES), Strategische Transformatiesteun (STS), Thematische ICON-projecten

Guarantee

- The Flemish government has decided to extend the existing guarantee scheme at PMV / z to finance debts of up to 12 months until the end of this year. A budget of 100 million euros is being released for this.
- As a result, companies and the self-employed can have PMV / z guarantee for a bridge loan for existing non-bank supplier debts (up to 12 months old) during this crisis period.
- This arrangement can be requested from a private bank and will remain in effect until the end of 2020.

Government support – WALLONIA

[Link to website for more information](#)

Financial support

General tax measures

Loan suspension

Loans with financial institutions associated with the Walloon Region (Sowalfin, Sogepa, SRIW, Investis) are frozen.

Liquidity support

The liquidity of companies will be supported through low-interest loans from Sogepa

Subsidies

The Walloon government will grant a lump-sum of 2,500 euros per company that has had to change its closing days (without being closed all week).

Support to local authorities

The Walloon government will grant 2 million euros for local authorities that have adopted tax measures for companies affected by the crisis (freezing of municipal taxes).

Sectoral measures

Hospitality, Catering, Travel and Retail

The Walloon government will grant a lump-sum of EUR 5,000 to companies that have been shut down or cannot work in the hospitality and catering industries, the travel industry (agencies, tour operators, etc.) and the retail sector.

Understanding the impact on start-ups and scale-ups

COVID-19 impact poll

To understand the impact of this period of uncertainty on start-ups and scale-ups, we've created a two-minute questionnaire to **gather some insights about your current situation and concerns.**

We'd be grateful if you could take some time to fill out this short survey.

Click [here](#) to access the poll



Contacts

PwC: Belgian measures overview

The previous measures were gathered by the Belgian PwC Tax team.



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Thank you

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