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Factsheet for case **DK-2020-11/600**

## Compensation for corporate fixed expenses

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Country	Denmark, applies nationwide
Time period	Temporary, 09 March 2020 - 08 June 2020
Type	Legislation or other statutory regulation
Category	Supporting businesses to stay afloat – Direct or indirect financial support
Case created	14 April 2020 (updated 21 April 2020)

### Background Information

Together with all parties of the Danish parliament, the government has passed a new scheme that allow vulnerable companies, (that experiencing a marked decline in their turnover as a result of both the COVID-19 pandemic and the measures taken to limit the spread in Denmark) to receive support for their fixed cost e.g. expenses for non-cancellable contracts to continue operations in the extraordinary situation.

The legal reference is "BEK nr 332 af 01/04/2020".

### Content of measure

A scheme is set up in which companies can be reimbursed for documentable fixed expenses, including for example rent, interest expenses and contract-related expenses during a period (eg leasing), where the companies are exposed to a large decline in revenue.

The compensation scheme is based on the following five principles:

- 1) Businesses across all industries should be able to receive compensation
- 2) The compensation is targeted at companies with a large drop in turnover domestically (more than 40 per cent).
- 3) The compensation is targeted at fixed expenses and amounts to between 25 and 80 per cent.
- 4) Compensation covers up to three months and is paid as soon as possible
- 5) If revenue has decreased considerably less, then the compensation must be repaid.

Operators who are required to be fully closed by order will during this period be compensated, corresponding to 100 per cent. of the fixed expenses.

The company is required to submit an audited statement of expected revenue decline during the period from March 9 to June 9 as a result of COVID-19.

## Use of measure

Unknown

## Actors, target groups and funding

Actors	Target groups	Funding
National government	All companies	National funds

## Social partners

Role of social partners	No involvement
Form of involvement	Unknown

Unknown

## Sectors and occupations

This case is not sector-specific.

This case is not occupation-specific.

## Sources

- 15 April 2020: BEK nr 332 af 01/04/2020 ([www.retsinformation.dk](http://www.retsinformation.dk))