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Factsheet for case LU-2020-12/430

Financial aid for self-employed to compensate for temporary financial difficulties caused by the COVID-19 crisis

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Country	Luxembourg, applies nationwide
Time period	Temporary, 15 March 2020 - 15 May 2020
Type	Legislation or other statutory regulation
Category	Supporting businesses to stay afloat – Direct subsidies (full or partial)
Case created	09 April 2020 (updated 03 May 2020)

Background information

Based on the law of 3 April 2020 on the introduction of an aid scheme for businesses in temporary difficulty/loi du 3 avril 2020 relative à un régime d'aide en faveur des entreprises en difficulté temporaire, this legal framework aims to provide refundable aids to self-employed persons holding a business permit and established in Luxembourg in craft, commercial and industrial businesses. Self-employed activities include, for example, lawyers, doctors, artists, scientists, engineers or journalists.

Content of measure

This measure aims at all self-employed persons holding a business permit and who are established in Luxembourg. In the case of mixed activities where one activity is exercised beyond self-employment, only eligible activities are covered by this aid (agricultural activities are not covered) on condition that the activities or their costs are kept separate.

Refundable costs by the measure include both staff and rental costs for the COVID-19 epidemic period running from 15 March to 15 May 2020. Staff costs comprise both income from a professional activity and income paid by an association or company. The aid is capped at an amount equivalent to 2.5 times the social minimum wage per person concerned. Rental costs are capped at €10,000 per month per single undertaking.

The law stipulates 4 prerequisites for the aid to be applied: the self-employed business must have financial problems during the defined period; the business must fall within the professions defined by the legislation; the business must have exercised its activities already before the crisis; and there must be a causal link between the business' financial difficulties and the COVID-19 epidemic period.

Use of measure

No information has been disclosed on the aid under review at the moment of writing.

Actors, target groups and funding

Actors	Target groups	Funding
National government	Self-employed	National funds

Social partners

Role of social partners	Consulted
Form of involvement	Bi-or tripartite social dialogue bodies

The measures are discussed in the tripartite Conjoncture Committee (Comité de Conjoncture).

Sectors and occupations

This case is not sector-specific.

This case is not occupation-specific.

Sources

- 09 April 2020: Guichet public (guichet.public.lu)