



New rescue package for small and medium-sized businesses

On 9 April 2020, the Danish government introduced a new loan package for so-called small and medium-sized businesses. However, at the moment, only very few details have been published on this rescue package which basically covers:

- A loan based on the most recent VAT payment or payroll tax (for so-called method-4 businesses comprising dentists, occupational therapists, haulage contractors, including taxi operators, etc.)
- As for VAT, it will be the payment made on 2 March 2020 covering the second half of 2019 or Q4 of 2019
- And with respect to payroll tax, it will be the payment covering Q1 of 2020 due on 15 April and 25% of the payroll tax levied on net profits for the income year 2019
- The small and medium-sized businesses expected to be covered by this package are businesses paying VAT on a quarterly or half-yearly basis, or as mentioned in method 4 above
- The loan in question will be interest free and must be paid back no later than 1 April 2021

- It is expected that applications for such loans may be filed as of 1 May 2020 until 15 June 2020
- Please note that applications are to be filed at the Danish website www.virk.dk and that any loan granted is expected to be paid out five working days after submission of the application
- The interest-free loan period will therefore cover approximately 11 months (May 2020 to April 2021)
- However, in order to minimise the risk of the Danish state, businesses subject to winding-up proceedings, reconstruction, compulsory winding-up proceedings or which are in the process of being liquidated will not be covered by this rescue package

Contact

Please do not hesitate to contact us if you have any questions or need our assistance.

Now, for tomorrow

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