

## **GRAND-DUCAL REGULATION OF 18 MARCH 2020 INTRODUCING A SERIES OF MEASURES TO COMBAT COVID-19**

The Grand-Ducal Regulation of 18 March 2020 introducing a series of measures to combat Covid-19 was published in the Official Journal of the Grand Duchy of Luxembourg and thus entered into force today.

The [text](#), available in French, concerns the following points:

- Travel restrictions for the public
- Measures concerning establishments receiving the public
- Limitation of economic activities
- Maintenance of essential activities
- Penalties and amendments to other legal provisions

We are at your disposal for any questions or remarks that you might have.

Furthermore, the Government has updated the information on family leave. Please note that the start and end dates of family leave need only be communicated to the employer. Find the updated government press release [HERE](#).

## **NEW SIMPLIFIED MEASURES FOR COMPANIES APPLYING FOR CORONAVIRUS-RELATED SHORT-TIME WORK**

The Economic Conditions Committee (Comité de Conjoncture) held an extraordinary meeting on 18 March under the co-chairmanship of Dan Kersch, Deputy Prime Minister, Minister of Labour, Employment and the Social and Solidarity Economy, and Franz Fayot, Minister of the Economy.

In view of the extent of the threat posed by COVID-19 and the tangible repercussions on the lives of companies and their employees, the Committee unanimously validated the proposals in principle and procedural approaches developed jointly by the two ministries in question. From now on, there is:

an accelerated procedure for companies directly affected by a government decision;

a "force majeure / coronavirus" short-time working scheme.

### **Accelerated procedure for companies directly affected by a government decision**

Companies that have had to or still have to cease all or part of their activities following a government decision, such as those covered by the ministerial order of 16 March 2020 or subsequent decisions, are exceptionally directly eligible for short-time working, as of the effective date of the government decision causing their total or partial closure.

An online system for claiming reimbursement for the hours unemployed in the context of partial unemployment for closure imposed by the Government is currently being developed and will be available in the coming days on the ADEM website. The companies concerned are invited to wait until this system is put online to make their request for reimbursement, which will be retroactive to 16 March 2020. A communication to the general public will be made as soon as the online system is operational.

ADEM will endeavour, within the limits of its available human resources, to process these refund applications as diligently as possible, given the exceptional situation facing businesses and administrations.

Advances may be paid on the basis of the actual wage bill on the effective date of the respective government decision.

Reimbursement is limited to 80% of the normal salary up to a maximum of 250% of the minimum social wage for non-qualified employees (i.e. EUR 2,141.99 x 2.5). A monthly statement must be submitted.

Reimbursement declarations will be subject to ex-post control and erroneous or fraudulent declarations may give rise to forced reimbursement without prejudice to legal proceedings.

### **Partial unemployment scheme "force majeure/coronavirus"**

Companies that remain open but are nevertheless suffering the negative impact of the coronavirus on their business can at any time submit an application for the granting of short-time working "force majeure / coronavirus" to the secretariat of the Comité de Conjoncture at the Ministry of the Economy.

The form in question can be downloaded from [adem.lu](http://adem.lu) and from [guichet.public.lu](http://guichet.public.lu).

Applications received by Friday 20 March 2020 at 12 noon will be dealt with at the ordinary meeting of the Committee scheduled for Monday morning, 23 March 2020.

At this meeting, applications for short-time working for cyclical or structural reasons will also be processed.

After the meeting, companies will be informed in writing of the acceptance or refusal of their application.

Applications for short-time working must be communicated to the staff representatives and, as far as possible, also signed by them.

### **To which employees and organisations does the short-time working scheme apply?**

Eligible for partial unemployment are employees, i.e. persons with a permanent or fixed-term employment contract legally employed by a company legally established in Luxembourg at the time of unemployment, who are fit for work and under the age of 68 and who do not receive an old-age pension, an early old-age pension or a disability pension, who are normally employed at a place of work on Luxembourg territory and who are insured as employees with the Luxembourg social security bodies.

Temporary workers are therefore excluded.

On the other hand, and in order to continue to motivate companies to participate actively in the dual system apprenticeships, apprentices are eligible as well as persons under measures in favour of employment, including in particular employment initiation contracts and employment reinsertion contracts for the part of the salary to be paid by the employer.

Applications from non-profit organisations will be analysed on a case-by-case basis to avoid any double financing.

Applications from crèches are in principle ineligible, since the Ministry of National Education, Children and Youth continues to contribute 70% of their operating costs.

### **Some general rules to be observed**

In addition, the general rules apply in all cases, i.e. prior exhaustion of the company's own resources (non-renewal of fixed-term contracts that have expired, no recourse to new fixed-term contracts, exhaustion of the remaining leave, no recourse to temporary employees and the introduction of temporary loans for labour) as well as the prohibition of dismissals for reasons not inherent to the individual.

Finally, it is recalled that employees who are teleworking or on leave for family reasons are not eligible for short-time working during this fixed period.

## **COMMUTER CERTIFICATES FOR CROSS-BORDER WORKERS (GERMAN-LUXEMBOURG BORDER)**

In the context of the current COVID-19 crisis, the German Federal Police carry out checks at the borders with Luxembourg.

Cross-border workers are still allowed to enter and leave the country on condition that they carry a commuter certificate and move between their place of residence and their place of work. Proof of the necessity to cross the border can be requested at any time.

The German Federal Police have drawn up a uniform certificate for commuters which can be placed behind the windscreen in a clearly visible position.

The new certificate of the German Federal Police can be found [here](#).

This certificate is valid immediately, but the form provided by the Luxembourg government on 15 March remains valid and will continue to be accepted by the German Federal Police.

## **CROSS-BORDER WORKERS RESIDING IN FRANCE: THREE DOCUMENTS AVAILABLE**

In order to facilitate the entry of cross-border workers into Luxembourg during border controls, the Luxembourg government has issued a certificate attesting to the employment relationship with the employee.

This certificate serves as proof of the need to cross the border between France and Luxembourg under the COVID19 situation. Thus, on presentation of this certificate, together with [the certificate of derogatory travel](#) and [proof of professional travel](#), frontier workers residing in France will be exempt from the restrictions on border crossings between France and Luxembourg.

## **TAX MEASURES TO SUPPORT COMPANIES AND THE SELF-EMPLOYED**

In response to the crisis linked to the spread of Covid-19, the Government decided to implement several tax measures in favour of legal entities and individuals. The main objective of these measures is to meet the financing and liquidity needs of companies and self-employed persons who are heavily impacted by the current economic restrictions.

In terms of direct taxes, tax advance facilities and payment deadlines will be granted to companies and self-employed persons. More specifically, legal entities and natural persons exercising an activity generating a commercial profit, an agricultural and forestry profit or a profit from the exercise of a liberal profession, who are experiencing liquidity problems due to the Covid-19 pandemic, can make a simple request for the cancellation of tax advances for the first 2 quarters of 2020. This measure applies to (community) income tax and municipal business tax.

In addition, these same persons may apply for a four-month payment deadline for taxes due after 29 February 2020. This payment period will not be subject to interest for late payment and concerns income tax, municipal business tax and wealth tax.

In order to benefit from these two measures, all you need to do is to send the respective forms to the Direct Tax Administration, which are now available [here](#). The application is automatically accepted upon receipt by the administration. The deadline for submitting tax returns has been

extended to 30 June. This decision applies to both legal entities and natural persons. The deadline for submitting, revoking or amending an individual tax return is extended to the same date.

With regard to indirect taxes, the Administration de l'enregistrement, des domaines et de la TVA (AED) will reimburse from this week all VAT credit balances below 10,000 euros. This is a measure that will make it possible to meet the liquidity needs of approximately 20,000 companies established in the Grand Duchy.

## **FRONTALIERS RÉSIDANT EN BELGIQUE : CERTIFICAT PROUVANT LA NÉCESSITÉ DE TRAVERSER LA FRONTIÈRE**

In order to facilitate the entry of cross-border workers into Luxembourg during border controls, the Luxembourg government has issued a certificate attesting to the employment relationship with the employee.

This certificate serves as proof of the need to cross the border between Belgium and Luxembourg under the COVID19 situation. Thus, on presentation of this certificate, frontier workers residing in Belgium will be exempt from the restrictions on border crossings between Belgium and Luxembourg.

This form can be accessed via the following [link](#)

## **TRAVAILLEURS FRONTALIERS : MESURE EXCEPTIONNELLE CONCERNANT LE TÉLÉTRAVAIL**

As a result of the health situation related to the Covid-19 crisis, many cross-border workers will be required to do more telework in the coming days and weeks.

The Final Protocol to the Belgo-Luxembourg Convention provides for a rule of tolerance allowing cross-border workers to work for a maximum of 24 days outside their usual State of activity while remaining taxable in that State.

The Belgian and Luxembourg authorities consider that the current situation relating to the coronavirus constitutes a case of force majeure, for which no days are to be counted under the 24-day rule.

It has therefore been decided that, as from Saturday 14 March 2020, the presence of a worker at home, in particular to carry out teleworking, will not be taken into account in calculating the 24-day period. This measure is applicable until further notice.