



Government relief packages relating to COVID-19 – an overview

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Together with the Danish Parliament, the Government has initiated a number of relief packages to provide support for businesses and citizens in getting through the COVID-19 crisis without deep losses. The packages are to provide economic relief in different situations and are subject to different terms. Businesses may make use of more than one relief package. It is, however, not possible to obtain compensation for a loss more than once.

The relief packages have been made available in great haste. According to the Government, the packages will not run dry - however, certain conditions and procedures apply as to the compliance and documentation in connection with the use of packages. The next pages present an overview of the relief packages that have been announced. The overview will be updated from time to time with new initiatives and relief packages as well as new information on the different relief packages concurrently with the passing of these packages by the Danish Parliament.

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10 March 2020 - First relief package

Initiatives	Can the scheme support your business?
Compensation for change of events organised for 1,000+ participants and events organised for 500+ participants for specific Covid-19 risk groups.	<p>The scheme covers compensation for loss of revenue due to cancellation of events and additional costs due to postponement of events. Applications for compensation are to be submitted to the Danish Business Authority.</p> <p>The scheme covers events scheduled for the period from 6 to 31 March 2020 inclusive. Updated by document dated 2 April 2020, the existing scheme has been extended up to and including 9 June 2020. The conditions for obtaining compensation for cancelled or postponed events are the same as those applying to the existing scheme.</p> <p>Read more (in Danish): https://denmark.dlapiper.com/da/nyhed/covid-19-konsekvenser-arrangorer-af-koncerter-events-og-forestillinger</p>
Deferment of time of payment of VAT payments, labour market contribution and income tax	<p>The scheme supports the businesses' liquidity.</p> <p>If your VAT payments, labour market contribution and income tax are paid automatically, it is your own responsibility to change the payments.</p> <p>This is only a deferment of costs - VAT, labour market contribution and income tax shall be paid at a later point in time.</p> <p>Read more (in Danish): https://denmark.dlapiper.com/da/nyhed/hjaelp-til-likviditeten-betalingsfrister-udskydes</p>

12 March 2020 - Second relief package

Initiatives	Can the scheme support your business?
Refunds to employers with effect from day one and sickness benefit to self-employed with effect from the first day of sickness	<p>This scheme provides for payment of refunds to employers for salary/wages and sickness benefit paid during the first 30 days (employer sick pay period). Beyond that, a self-employed person is entitled to sickness benefit as from the first day of sickness.</p> <p>The scheme is temporary and it is in force from 27 February 2020 until 1 January 2021.</p> <p>Read more (in Danish):</p> <p>https://denmark.dlapiper.com/da/nyhed/regeringen-og-arbejdsmarkedets-parter-klar-med-hjaelpepakke-til-virksomheder</p>
A flexible scheme for work-sharing	<p>This scheme entitles businesses to reduce working hours for their employees for a temporary period, in which the employee will be entitled to supplemental benefits.</p> <p>Read more (in Danish):</p>

15 March 2020 - Third relief package

Initiatives	Can the scheme support your business?
Salary/wage compensation to businesses who lay off their employees.	<p>If your business expects to lay off more than 30% of your employees or more than 50 employees, then, if your business refrains from dismissing its employees, your business has the right to a salary/wage compensation of 75% of the said employees' salary/wage from the Danish State up to a maximum of DKK 23,000 per month for each employee.</p> <p>For hourly-paid employees, the state compensation amounts to 90%, however up to a maximum of DKK 26,000 per month. A solemn declaration from the business management must be included in the application. The deadline for submitting an application is 30 June 2020.</p> <p>The salary/wage ceiling of DKK 23,000 and DKK 26,000 respectively has been increased to DKK 30,000 per month per full-time employee for applications received as from 25 March 2020. Businesses that have already received salary/wage compensation may apply for a subsequent adjustment of the received amount.</p> <p>18 April 2020, the temporary salary and wage compensation scheme was extended with one month making it apply from 9 March up to and including 8 July 2020.</p> <p>Read more (in Danish): https://denmark.dlapiper.com/da/nyhed/regeringen-og-arbejdsmarkedets-parter-klar-med-hjaelpepakke-til-virksomheder</p> <p>https://denmark.dlapiper.com/da/nyhed/lov-om-arbejdsgiveres-og-lonmodtageres-retsstilling-ved-lonkompensation-er-nu-vedtaget</p> <p>https://denmark.dlapiper.com/da/nyhed/storre-lonkompensation-til-virksomhederne-nu</p> <p>Listen to our podcast on wage compensation (in Danish): https://denmark.dlapiper.com/da/podcast/covid-19-lonkompensation</p>

16 March 2020 - Fourth relief package

Initiatives	Can the scheme support your business?
Deferment of VAT and B-tax (tax not collected at source).	<p>The scheme supports the businesses liquidity.</p> <p>If your VAT payments and B-tax are paid automatically, it is your own responsibility to change them.</p> <p>This is only a deferment of costs - it is for you to pay VAT and B-tax at a later date.</p> <p>Read more (in Danish): https://denmark.dlapiper.com/da/nyhed/hjaelp-til-likviditeten-betalingsfrister-udskydes</p>

19 March 2020 - Fifth relief package

Initiatives	Can the scheme support your business?
Provisional compensation scheme for self-employed experiencing a financial crisis due to COVID-19 (with a maximum of 10 full-time employed)	<p>Under this scheme, self-employed expecting a 30% decrease, to a minimum, in revenue as a result of the COVID-19 outbreak may receive compensation from the State. The compensation amounts to 75% of the decrease in revenue, but only up to a maximum of DKK 23,000 per self-employed per month. “Self-employed” means a business owner of any type of business whose business was registered with the Danish Business Authority (CVR) not later than 9 March 2020. The business owner must possess a minimum of 25% of the business and must be employed with the business to a “significant extent”.</p> <p>The self-employed must be registered with the Danish centralised civil register (CPR).</p> <p>A condition for receiving compensation is that the income of the self-employed does not exceed DKK 800,000 for the income year 2020.</p> <p>It is also a condition that the turnover for the self-employed was on the minimum average of DKK 10,000 per month throughout the calendar year 2019. As for self-employed who have not had activity throughout the whole calendar year 2019, the calculation of averages will be determined by the business’ date of formation.</p> <p>The scheme applies to the period from 9 March up to and including 8 June 2020.</p> <p>The compensation is subject to taxation.</p> <p>The application for compensation shall be submitted digitally to the Danish Business Authority via the digital self-service “compensation to self-employed”. The deadline for submitting is 30 June 2020. A solemn declaration from the business management must be included in the application. When submitting the application, the self-employed shall render probable that the loss in revenue is due to the COVID-19 outbreak.</p>

19 March 2020 - Fifth relief package

Initiatives	Can the scheme support your business?
Provisional compensation scheme for businesses' recurring expenses for businesses experiencing a financial crisis due to COVID-19.	<p>If your company is experiencing more than a 40% decrease in revenue, then you may receive 25-80% compensation for recurring expenses paid in Denmark, for instance rent, interest expenses etc. The proportion of the compensation of the recurring expenses depends on the loss of turnover.</p> <p>Businesses completely locked down as a result of a temporary order imposed by an executive order will receive 100% compensation of the recurring expenses during the said order.</p> <p>The scheme applies as from 9 March 2020 up to and including 8 June 2020.</p> <p>The business cannot apply for compensation if its recurring expenses in the period amount to less than DKK 25,000. The maximum compensation per business in the period is DKK 60M.</p> <p>Recurring expenses in the compensation period that the business reasonably could have prevented will not be compensated.</p> <p>Applications for compensation are to be submitted digitally to the Danish Business Authority no later than 30 June 2020. The business can only apply for compensation once. A solemn declaration of the business' decrease in revenue must be included in the application and the application must be certified by the company's auditor. See the Danish Business Authority's instructions for applying for the provisional compensation scheme here.</p> <p>If the company's application for compensation is approved, then the company may receive 80% compensation for the expenses for the auditor's certification up to a maximum of DKK 16,000. See the Danish Business Authority's instructions for the auditor's work here.</p> <p>Read more about the compensation scheme here: https://denmark.dlapiper.com/da/nyhed/erhvervsleje-og-hjaelpepakke</p>

19 March 2020 - Fifth relief package - cont.

Initiatives	Can the scheme support your business?
Guarantee scheme in EFK Danmark and reinsurance for Danish exporters	<p>This scheme supports Danish exporters. The government introduces a new liquidity guarantee in EKF (the Danish Export Credit Fund) under which EKF covers a part of the bank's losses, if any, on new loans provided to secure that the export business has enough funds to keep its business running.</p> <p>The scheme applies if the business' export for 2019 totalled a minimum of 10% of the business' turnover or if the business is a sub-supplier to another business whose export totalled minimum 10% of its turnover in 2019.</p> <p>EKF may provide guarantees for new loans to a business, see above, that has suffered or expects to suffer a loss in turnover of 30% at a minimum in the whole or in part of the period 1 March 2020 up to and including 30 September 2020 due to the COVID-19 outbreak.</p> <p>Applications for guarantees must be submitted by the lending institute to EFK not later than 15 October 2020. The loan period of the guarantee is maximum 6 years.</p> <p>EKF insures the insurance companies so the Danish exporters can maintain the insurances needed to keep their business running.</p>
Guarantee scheme for loans to small and medium-sized companies (SMEs)	<p>If your company has experienced or expects to experience a decrease in revenue of minimum 30% due to COVID-19, Vækstfonden (the Danish Business Development Finance) may provide a guarantee of 70% of lending commercial banks' or leasing companies' business loans.</p> <p>The guarantee scheme applies to lost turnover in the period 1 March to 30 September 2020.</p> <p>Applications for guarantee shall be submitted to Vækstfonden by the lending bank or the leasing company no later than 15 October 2020. The loan period of the guarantee is maximum 7 years.</p> <p>Read more (in Danish): https://denmark.dlapiper.com/da/nyhed/covid-19-vaekstfondens-muligheder-stotte-ramte-virksomheder</p>

19 March 2020 - Fifth relief package - cont.

Initiatives	Can the scheme support your business?
Guarantee scheme for loans to major corporates	<p>If your company has experienced or expects to experience a decrease in revenue of minimum 30% due to COVID-19, Vækstfonden (the Danish Business Development Finance) may provide a guarantee of 70% of lending commercial banks' or leasing companies' business loans.</p> <p>The guarantee scheme applies to lost turnover in the period 1 March to 30 September 2020.</p> <p>Applications for guarantee shall be submitted to Vækstfonden by the lending bank or the leasing company no later than 15 October 2020. The loan period of the guarantee is maximum 6 years.</p>

19 March 2020 - Fifth relief package - cont.

Initiatives	Can the scheme support your business?
Public procurement: Expedited payments and further flexibility	<p>Governmental institutions may make prepayments of deliveries having delivery date up to 1 July 2020 and a value of maximum DKK 1M.</p> <p>In addition to that, governmental institutions are urged to be flexible to suppliers, for example by refraining from claiming breach of contract.</p> <p>On 31 March 2020, the Danish government passed “The Act on municipalities’ and regions’ procurement in relation to the handling of COVID-19” (in Danish: Lov om kommuners og regioners indkøb i forbindelse med håndtering af COVID-19). The act expires automatically on 1 March 2021. Under the authority of the new act, the Danish Ministry of Social Affairs and the Interior has issued a ministerial order on municipalities’ and regions’ procurement in relation to the handling of COVID-19.</p> <p>Pursuant to the said order, municipalities and regions may prepay deliveries up to a value of DKK 1M exclusive of VAT when it is considered proper. Also, under the order, municipalities and regions may refrain from claiming breach under public contracts to the extent that the breach is considered to relate to COVID-19.</p> <p>Read more (in Danish): https://denmark.dlapiper.com/da/nyhed/netop-vedtaget-lov-om-kommuners-og-regioners-indkob-i-forbindelse-med-handtering-af-covid-19</p> <p>Together with the National Association of Local Authorities in Denmark (Kommunernes Landsforening) and the Regions of Denmark, the Danish government has entered an agreement on suspension of the capital spending limit for 2020.</p> <p>Read more (in Danish): https://denmark.dlapiper.com/da/nyhed/anlaegsloftet-kommuner-og-regioner-ophaeves-2020</p> <p>Listen to our podcast on public procurement during COVID-19 (in Danish): https://denmark.dlapiper.com/da/podcast/covid-19-offentlige-udbud</p>