Immediate assistance for microenterprises and own-account workers affected by the corona outbreak – key points

Factual basis:
Small companies from all industries, own-account workers and freelancers usually have no access to loans, collateral or other sources of income and are therefore in urgent need of unbureaucratic forms of immediate assistance.

Key points set out by the Immediate Assistance Programme:

- **Immediate financial assistance** (in the form of taxable grants) provided for microenterprises from all industries and for own-account workers and freelancers employing up to 10 staff.
  - One-off payments of up to €9,000 over a period of 3 months for businesses with up to 5 employees (full-time equivalents)
  - One-off payments of up to €15,000 over a period of 3 months for businesses with up to 10 employees (full-time equivalents)
- In cases where the landlord reduces the rent by at least 20%, grants that are not used in full over the 3-month period can be spread out over an additional two months.
- **Objective**: Providing grants to help applicants ensure the survival of their business and overcome temporary liquidity shortages due to regular operating costs such as rents or loans for operating space, leasing instalments etc. (the grants can be combined with assistance provided under the Länder programmes)
- **Eligibility criterion: financial distress as a result of coronavirus** Businesses that have faced financial distress before March 2020 are not eligible under the Programme. Cut-off date (for any financial distress experienced): 11 March 2020.
- **Application procedure**: electronically wherever possible, applicants need to declare that their business is at risk of collapse or experiencing liquidity shortages as a result of coronavirus.
- **Technical details**: The Programme is financed by the Federal Government and managed by the Federal Ministry for Economic Affairs and Energy; the granting procedure (processing of applications, payment and, if necessary, reclamation of the financial assistance) is handled by the Länder/municipalities; the legal basis for the Programme is the 2020 Federal Framework ‘Small amounts of compatible aid’. As a general rule, the financial assistance provided by the Federal Government can be combined with other aid granted in the context of the corona pandemic and also with ‘de minimis’ aid. Any overcompensation received needs to be repaid. The grant will be taken into account as a business profit in businesses’ declaration of income or corporate tax next year.
- **Programme volume**: up to €50 billion if used in full by 3 million self-employed and microenterprises over a period of 3+2 months. Unused funds will be credited back to the Federal budget.