

NRW Aid Package

Measures already in place

NATIONWIDE

The federal government has presented a *shield for employees and companies* to provide companies with enough liquidity to make it out of the crisis.

1

- Companies can receive **short-time allowance** under **simplified conditions**.

2

- The **liquidity** of companies will be ensured by new, **unlimited measures**. The current programmes for liquidity aid will be expanded and made available to more companies, such as the RLC and ERP credits.

3

- The federal government is committed to a **coordinated European approach** and welcomes, to name one example, the European Commission's idea for a "Corona Response Initiative" with a volume of 25 billion euros.

NRW

The financial administration of North Rhine-Westphalia and the state's business development bank have taken extensive, immediate, quick and unbureaucratic measures to provide aid that many North Rhine-Westphalian companies are already using:

4

- On request, the financial administration of NRW is helping affected companies with **tax deferrals** and the **decrease of prepayments**, and is using its discretionary powers to benefit taxpayers as much as possible.
- **NRW.Bank** has made the conditions of its **universal loan more attractive** and now accepts 80% of the risk (compared to 50% before) starting with the first euro.



All instruments can be used now and **remain available**

NRW Aid Package

Fiscal measures

NATIONWIDE

We have coordinated important immediate measures between the federal and state government (e.g. by means of disaster decree) that apply from now until 31/12/2020:

1

- **Zero-interest deferment** of owed or upcoming taxes (income/corporate/VAT)

2

- **Reduction of tax prepayments** for income/corporate tax and (via equivalent state decree) trade tax (Belated reduction is possible pending reasonable justification)

3

- **Suspension of enforcement measures** incl. waiving of penalty fees

As of right now, in NRW we are providing a heavily simplified application form for this



NRW

We are going beyond this in North Rhine-Westphalia and are fulfilling companies' urgent needs:

4

- We are reducing the **special prepayments for long-term extensions** for VAT to **zero** for companies affected by the crisis.
- We are providing the companies with **more than 4 billion EUR in funds immediately**, upon request.
- We are thus achieving **billions in direct liquidity reinforcement** for large sectors of the North Rhine-Westphalian economy.

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Budgeting measures in North Rhine-Westphalia

SUPPLEMENTAL BUDGET 2020

- Establishing **special assets** to finance all necessary payouts and overcome the tax reduction measures relating to the coronavirus crisis.
- Special **credit authorisation** in the state budget of up to

25 bil. EUR

- This equates to about 3.5% of the total annual economic output in North Rhine-Westphalia and about 30% of the budget volume planned for 2020.

We will implement this as quickly as possible and convene a **special session of the Landtag**.

BONDS

1

- Increasing the threshold of **state bonds** from 900 million EUR to **5 billion EUR**.

2

- Increasing the warranty bond and return bond threshold for the **Bürgschaftsbank NRW** from 100 million EUR to **1 billion EUR** and doubling the upper bond limit to 2.5 million EUR.

3

- Increasing the **bailment rate from 80% to 90%** once the EU Commission authorises this. (We are asking the EU Commission to enact the *Temporary Framework* required for this as quickly as possible.)

Quick decisions:

State bonds: Processing within 1 week

Bonds from the Bürgschaftsbank: Express bonds up to 250,000 EUR within 3 days, up to 500,000 EUR

daily payout consultations, starting at 500,000 EUR
weekly payout consultations

NRW Aid Package

Help for mid-sized and small businesses, freelancers, entrepreneurs and creative artists

NATIONWIDE

The federal government has announced a considerable grant programme specially developed for small business owners and solo freelancers in the coming weeks.

NRW

Considering special circumstances in North Rhine-Westphalia, we will closely examine the federal programme and **supplement it** where necessary:

- The state of North Rhine-Westphalia pledges to supplement the federal programme with a **state programme** wherever necessitated by circumstances in North Rhine-Westphalia specifically and required in the interest of affected small business owners, solo freelancers and creative artists.
- We wish to support the emerging entrepreneurial scene in NRW, and provide a financing offer from **NRW.Bank** to private investors who give money to start-ups ("matching fund").
- We are working very hard on **extending the NRW entrepreneur stipend** so that business ideas are not lost.
- The "**Mittelstand innovativ**" programme is being revised and optimised with the digitisation coupons.

Funds from the special assets
are available for this.

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