

## **CORONAVIRUS – FINANCIAL SUPPORT FOR COMPANIES CARRYING OUT INVESTMENTS OR R&D PROJECTS RELEVANT TO COMBATING THE COVID-19 PANDEMIC**

The bill aims to set up a support scheme to grant financial aid to businesses (i) carrying out research or (ii) making investments for products helping to combat the Covid-19 pandemic.

### **ELIGIBLE BUSINESSES**

Any business holding a business license (*autorisation d'établissement*) can apply for a subsidy under this scheme.

Businesses are excluded from the aid scheme if they were in difficulty before 1 January 2020 or if they have been convicted at least twice in the past four years for illegal work or employing a non-EU illegal resident.

### **ELIGIBLE R&D INVESTMENTS**

Research projects may relate to R&D on vaccines, on medication and treatments, on medical devices and hospital and medical equipment (including respirators and protective clothing and equipment and diagnostic tools). They can also be related to process innovations resulting in the efficient manufacture of essential products.

An industrial research or experimental development project may be supported up to 80% of eligible costs, for fundamental research projects up to 100% of eligible costs can be covered. In the case of cross-border collaboration with another company or another research body, the aid may be increased by 15%.

Applications for financial aid must be submitted during the period of the state of crisis and they cannot be cumulated with the investment aid for producing goods relevant to combating Covid-19.

### **ELIGIBLE INVESTMENTS FOR PRODUCING GOODS RELEVANT TO COMBATING COVID-19**

A business makes an investment into the production of Covid-19 related products is entitled to an aid of up to 80% of the admissible costs. It may be increased by 15 % if the investment is completed within 2 months of the aid being granted or if another member State grants aid for the same admissible costs. The investment projects may relate to vaccines, medication and

#### **Key aspects**

- Financial aid for R&D projects relevant to combating the Covid-19 pandemic.
- Financial aid for investments into the production of products relevant to combating the Covid-19 pandemic.
- Available for SMEs & large enterprises with a valid business license.

*This briefing speaks as of 17 April 2020.*

treatment, medical devices and hospital and medical equipment, disinfectants, tools for collecting and processing data, etc.

In the framework of this support measure, the company may also apply for a coverage of up to 30% of its losses. This cover may not exceed EUR 500,000 in respect of a production maintained over at least 5 years and is reduced pro rata if the production is stopped earlier.

## **MODALITIES**

The granting of the financial aid in the form of a capital subsidy will be subject to the a decision of the European Commission that this framework is compatible with the state aid regime.

The law only applies to aides that have an inciting effect, i.e. that the supported investments have started after 31 January 2020 or, in case of investments started before, if the aid accelerates the investments or enlarges their scope, in which case any additional costs are covered.

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