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Important Coronavirus business measures in Germany that you should know

Since its emergence, the coronavirus has caused devastating consequences to the whole world's health and economy. Germany is also one of the biggest victims, although it seems to be slightly better off than other main European Countries.

According to the German government's forecast, gross domestic product (GDP) in 2020 will fall by 6.3 percent compared to the previous year. This would plunge the German economy into a severe recession, which would be more severe than in 2009, which was a time of financial and economic crisis. The reason for the sharp decline is the effects of the Corona crisis and the resulting economic shutdown.

German federal government has launched a series of assistance packages of measures for business against the consequences of the coronavirus from March 2020. Here are what you should know about these significant measures.

1. Emergency Aid (Soforthilfen)

Special support measures are available for small enterprises in all sectors, self-employed persons who are in difficulty as a result of the Corona crisis and usually have little collateral or other income. These companies are going to be helped quickly and without bureaucratic paperwork.

To protect their liquidity, they will receive a one-time payment for three months, the amount depends on the size of the company:

- ▶ up to EUR 9,000 (up to five employees/full-time equivalents)
- ▶ up to EUR 15,000 (up to ten employees/full-time equivalents).

This is intended in particular to secure the economic existence of the applicants and to bridge urgent liquidity shortages due to ongoing operating costs, for example rents and leases, loans for business premises or leasing instalments. The one-time payments do not have to be repaid. If the landlord reduces the rent by at least 20 percent, any unused subsidy can be used for a further two months. The emergency aid has a volume of 50 billion euros and also applies to farmers and farms with agricultural production with up to 10 employees.

The Emergency aid can be applied for until 31st May 2020, however, different deadlines may apply for state programs. Applications could be submitted electronically to the relevant contact offices in responsible federal provinces.

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