



ayming

Belgium  
post-COVID-19  
What levers can be  
used to free up cash  
after the crisis?

28/04/2020

# Agenda

---

- Our context: Belgium Post COVID-19 could be slightly different
- Recap on the main emergency measures taken by the government
- Your human capital: levers to activate in order to minimize your payroll costs & keep your teams on board
- Your production tools: tax can be reduced
- Your future: measures to support your innovation & investments
- Conclusion
- Q&A





**Stefaan Heyvaert**  
Innovation performance  
Manager



**Alexandra Dryjski**  
Senior HR & Finance  
performance Manager



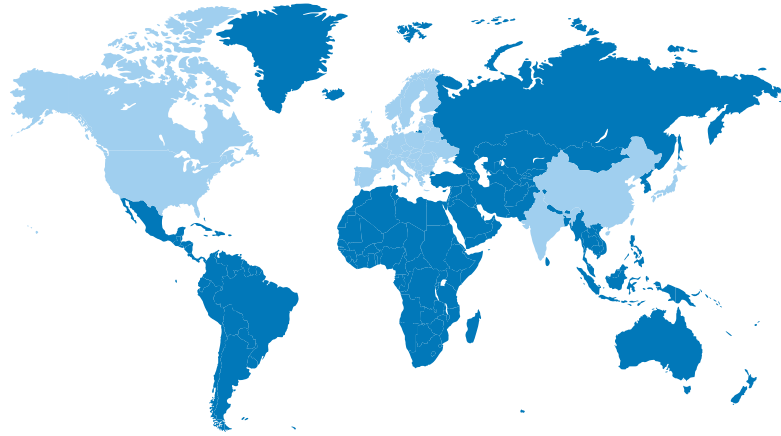
**Stefaan Pijls**  
Principal Innovation  
Process Consultant



**Thomas Kaës**  
Sales & Marketing  
Director



### 15 countries covered



USA • Canada • Ireland • United Kingdom • The Netherlands  
 Belgium • France • Portugal • Spain • Italy • Slovakia • Poland  
 Czech Republic • Germany • China

### Global facts and figures



### Ayming Belgium – Facts and figures



### Ayming Belgium – Partners



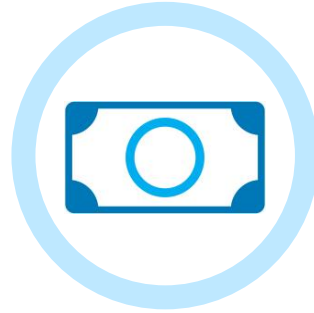
### Ayming Belgium – References





### **HR performance**

**Audit, review, secure and optimize all the social and fiscal payroll cost items**



### **Finance performance**

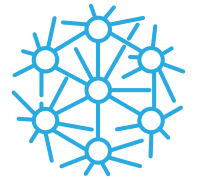
**Audit, compliance checks and optimization of taxes**



### **Innovation performance**

**Audit, secure and optimize the financing of your R&D and innovative activities**





ayming



What is  
our clients'  
feedback?

## Main feedback:

« Need for cash, for now and for later »

---

What our customers report and what we anticipate:

- **Currently:** lack of revenue and **cash difficulties**. Later, almost **solvency** issues.
- **Short term:** raising trend in **production costs**:
  - Implementation of costly barrier measures (consumables, reorganization of workstations, more manpower for equivalent productivity),
  - More flexible workforce (re-balance between employees and freelancers/subcontractors?).
- **Short and medium terms: investments** to be made to make the company future-proof: cybersecurity, home working, productivity gains, environmental contribution...

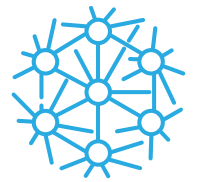


*« What are the public levers  
available to Belgian companies? »*

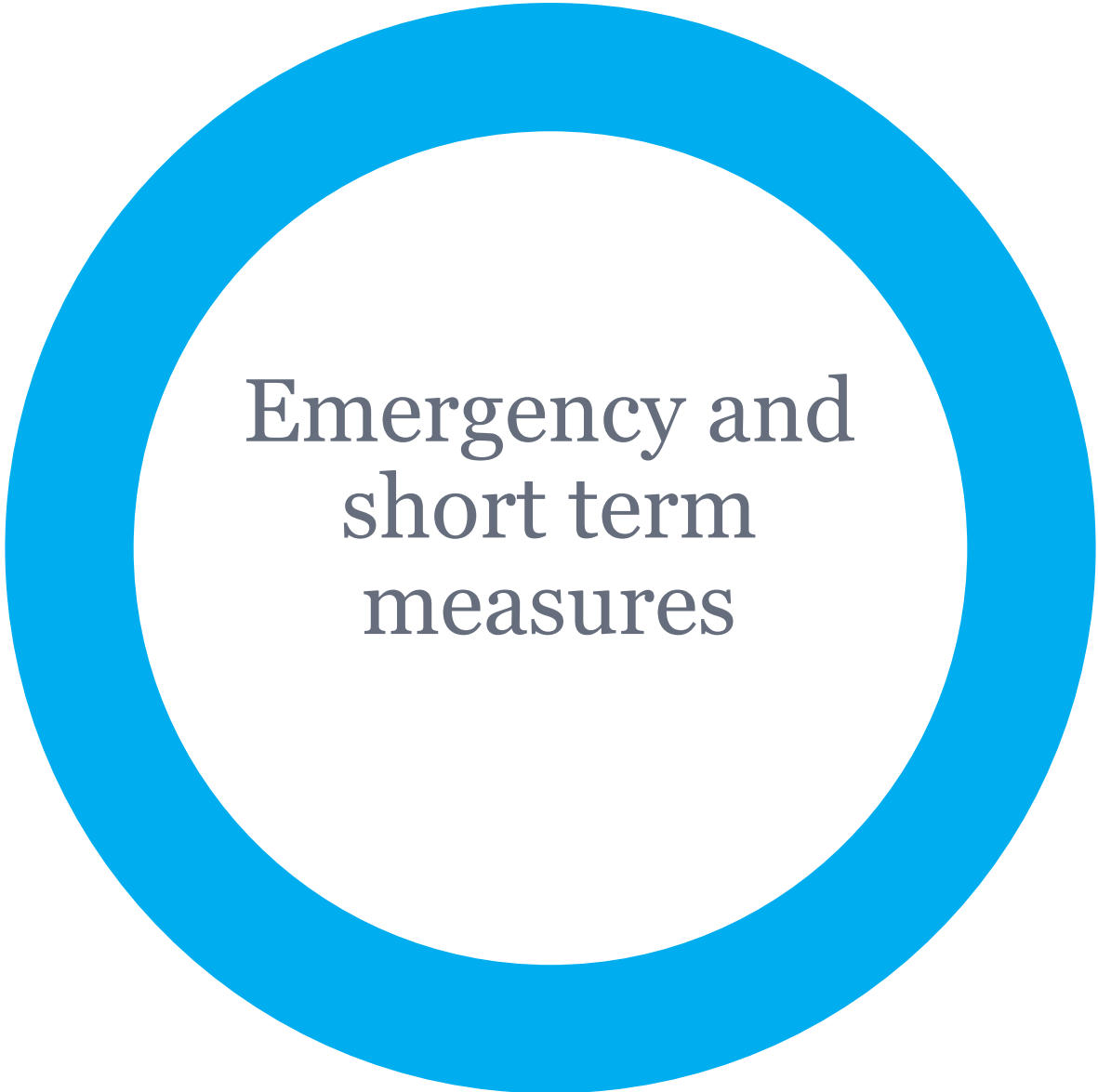
*« When and how  
can they be applied? »*







ayming



Emergency and  
short term  
measures

1

**Shift  
payment  
deadlines**

For all companies

- Payment of the Wage Withholding Taxes
- Corporate Tax
- VAT

2

**Ensure  
production &  
business  
continuity +  
workers at  
work**

For the essential activities, mainly

- More flexible working hours: 220 hours overtime non subject to taxes
- Use of successive short-term contracts made possible
- Passing the 475-hour limit for student contracts made possible

3

**Lighten the  
financial  
burden when  
no other  
option**

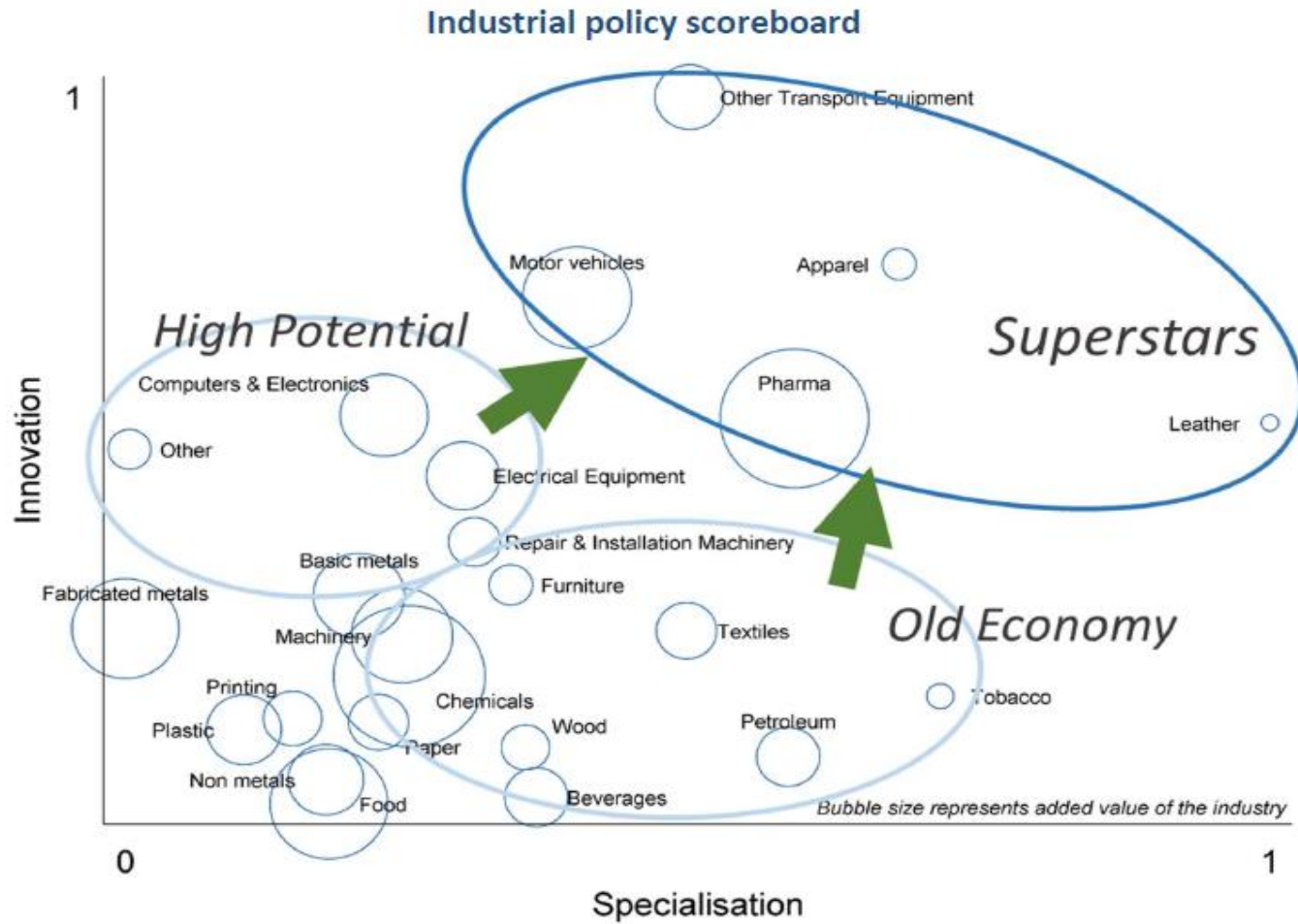
In case of activity stop

- Transition to technical unemployment made easy (conditions)

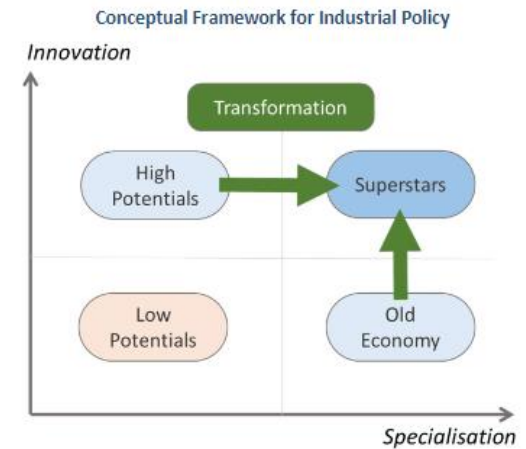


# Government's response to COVID-19

Goal: avoid loss in productivity & capitalize as from today on our Superstars



- Biotech, life science, pharma
- Computer & electronics (tech)
- Automotive
- ...





# Researcher's wage withholding tax partial exemption

## Conditions & impacts

### Qualifying conditions: to be met simultaneously



#### On the payroll

The researcher is on the Belgian company payroll



#### Eligible diploma

The researcher is graduated with an eligible scientific diploma: scientific engineers, master and bachelors since 01.01.2018



#### R&D time pro-rata

The researcher works on R&D projects on a given amount of time: if not full time = R&D prorata%



#### Belspo notification

The project has been notified on the Belgian Scientific Policy web portal

### Calculation

- Scientific masters & engineers:  $80\% \text{ WWHT} \times \text{Time prorata \% dedicated to R\&D eligible activities}$
- Scientific bachelors:  $80\% \text{ WWHT} \times \text{Time prorata \% dedicated to R\&D eligible activities, capped to 25\% or 50\% of the total exemption dedicated to Masters' tax exemption}$

### Retroactive application

- Up to 5 fiscal years, provided there is a prior notification on the Belspo portal.

### Your benefits

- No impact on employees' net income
- Immediate results through current year implementation
- Simulation:

Monthly gross salary	€ 4.500,00
Social security contribution	- €588,00
Wage withholding tax	- €1.167,00
<b>Withholding tax exemption for a qualified researcher (MDs)</b>	<b>- €933,60</b>

### Indirect reduction of employee costs by nearly

# -21%

**or > 12.000€/year/researcher (master)**  
(pro rata temporis)

\* 80% exemption for scientific masters & engineers, 80% for eligible bachelors in the limit of 50% of the total exemption for masters and engineers.



### R&D activities split up in 3 categories

### 5 conditions to be met to qualify for R&D tax incentives\*



#### Fundamental research

5% of the R&D projects

- Property analysis of the structures of phenomena, physically and natural
- Interpretive theories



#### Industrial research

15% of the R&D projects

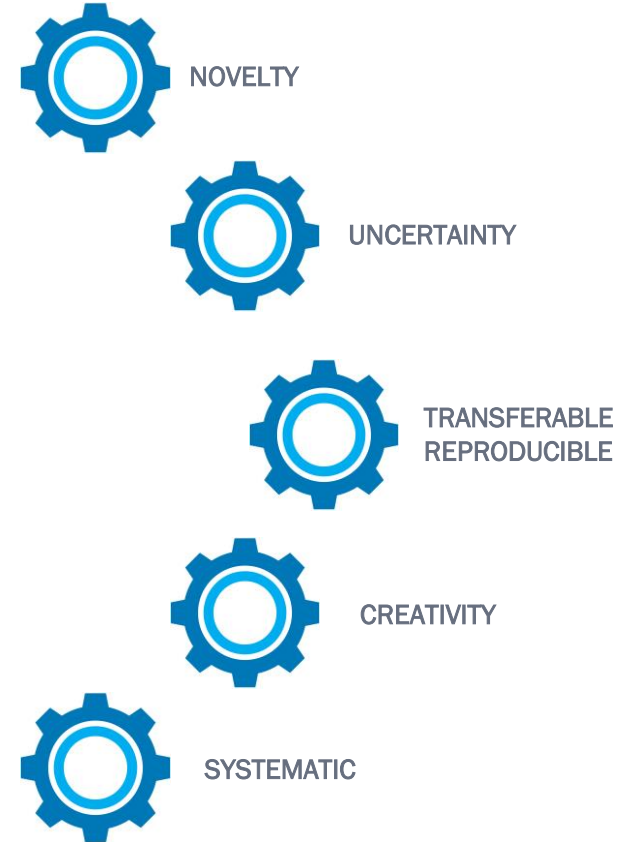
- Possible applications of basic research
- New solutions to achieve a predefined target
- Probationary product model, operation or method



#### Experimental development

80% of the R&D projects

- Prototypes or plans
- Production of new processes, products, materials, services
- Substantial improvement





# Shiftwork wage withholding tax partial exemption

## Conditions & impacts

### Qualifying conditions: to be met simultaneously

**Min  
2x2**

#### Team

At least 2 teams of 2 workers, shifting once or twice per day

**A=B**

#### Type of work

They must work on the same scope and for the same purpose

**Min  
1/3**

#### Working time by month

They must work at least one third of their time per month in teams

**+€**

#### Premium

A shift bonus must be paid

### Calculation

- For all team members fulfilling the conditions: 22,8% WWHT \* x monthly remuneration
- \*: percentage is higher -25%- when companies are working in 3 shifts

### Retroactive application

- Up to 5 fiscal years, and for the last year (before august) and the current month, within the month in a declarative mode

### Your benefits

- No impact on employees' net income
- Immediate results through current year implementation
- Simulation:

Monthly gross salary	€ 4.500,00
Social security contribution	- €588,00
Wage withholding tax	- €1.167,00
<b>Withholding tax exemption For a team worker</b>	<b>- € 1.026 (or - € 1.125)</b>

**Indirect reduction of employee costs by nearly**

**-25%**

**or > 13.500€/year/ team worker**

\*\* Since 01/01/2018 companies whose employees carry out work in immovable state (construction + real estate related works for example) can benefit from less restrictive conditions.





# Nightwork wage withholding tax partial exemption

## Conditions & impacts

### Qualifying conditions: to be met simultaneously



#### Night work

Between 8 pm and 6 am



#### Night work allowed

written in the regulations of the company or in the law



#### Working time by month

they must work at least one third of their time per month in teams



#### Premium

A night bonus must be paid

### Calculation

- For all team members fulfilling the conditions: 22,8% WWHT max per monthly remuneration

### Retroactive application

- Up to 5 fiscal years, and for the last year (before august) and the current month, within the month in a declarative mode

### Your benefits

- No impact on employees' net income
- Immediate results through current year implementation
- Simulation:

Monthly gross salary	€ 4.500,00
Social security contribution	- €588,00
Wage withholding tax	- €1.167,00
<b>Withholding tax exemption For a team worker</b>	<b>- € 1.026</b>

**Indirect reduction of employee costs by nearly**

**-22%**

**or > 12.000€/year/ night worker**





### Qualifying conditions: to be met simultaneously



#### Seniors

- Employees older than 57 in Brussels and 58 in Flanders and Wallonia
- Maximum quarterly salary



#### Young talents

- Low-educated
- Maximum age depending on the region
- Maximum quarterly salary



#### Restructuring

- Employees made redundant due to restructuring, closing, bankruptcy or liquidation of their last employer
- Only applicable until 31/12/2018 in Flanders and Brussels for workers who started before respectively 01/01/2017 and 01/10/2017
- Applicable in Wallonia until 30/06/2020 for workers who started before 01/01/2020



#### Long-term Unemployed

- Unemployed during a certain period of time
- Flanders: replaced by recruitment incentive since 2017
- Wallonia: replaced by unemployment benefit since 2017

### Your benefits

- No impact on employees' net income
- Immediate results through current year implementation

**Direct reduction of employee costs from €800 to € 1.500 per quarter depending on the scheme and the region**

### Retroactive application

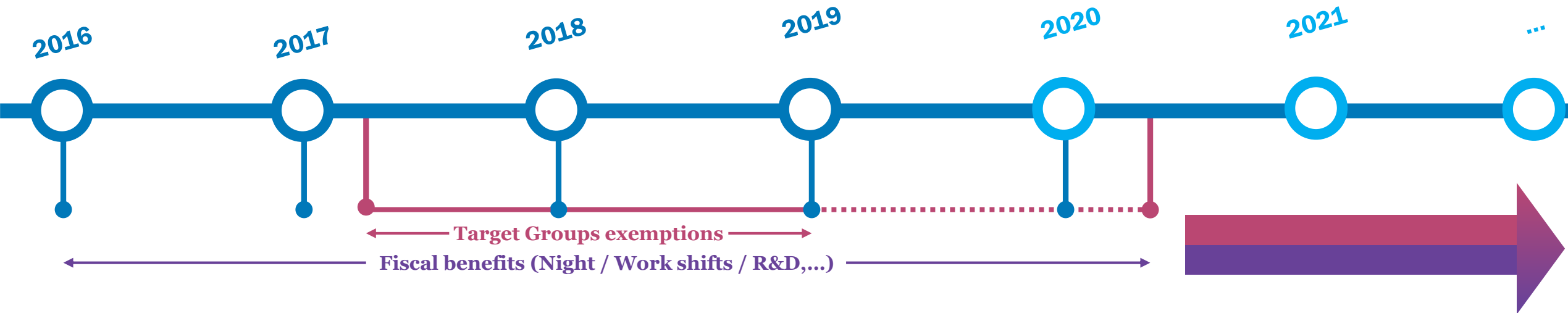
- Up to 12 quarters in the past

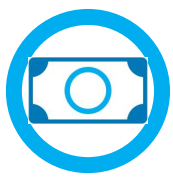






- **Fiscal benefits** can be tracked back up to 5 FY. In case of errors, the administration reimburses: **immediate cash**.
- **ONSS contributions** can be tracked back up to 12 quarters (until the end of the transition period for Target groups exemptions). In case of errors, a credit note is established, **reducing your bill for the next payments**.
- In all cases, **your contributions basis will be optimized and secured for the future**.





# Empty spaces or unproductive Machinery & Equipment Tax exemptions



## Flanders

- Applies to buildings & M&E
- **90 days** of unproductivity necessary
- At least 25 % of the M&E is unproductive
- 1 request per year
- No limit
- **before 31/03/N+1**



## Wallonia

- Applies to buildings & M&E
- **180 days** of unproductivity necessary **for buildings & 90 days for M&E**
- At least 25 % of the M&E is unproductive
- 1 request per year
- For 1 year exemption maximum
- Possible retroactivity 5 years on M&E



## Brussels-Capital

- Not applicable

### Property tax

### Local Tax on Driving Force

where applies

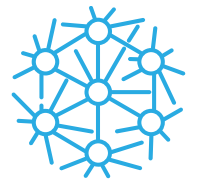
- **30 days** of unproductivity necessary depending on the municipality regulation
- 1 request per year
- No limit
- **3 months max after reception of the tax assessment**

- **30 days** of unproductivity necessary depending on the municipality regulation
- 1 request per year
- No limit
- **6 months max after reception of the tax assessment**

- Not applicable

For all other taxes on buildings, and especially in the Brussels region, Ayming would highly recommend to use “Force Majeure”. This might need strong arguments & be time consuming , but COVID-19 might be the situation where this becomes applicable.





ayming

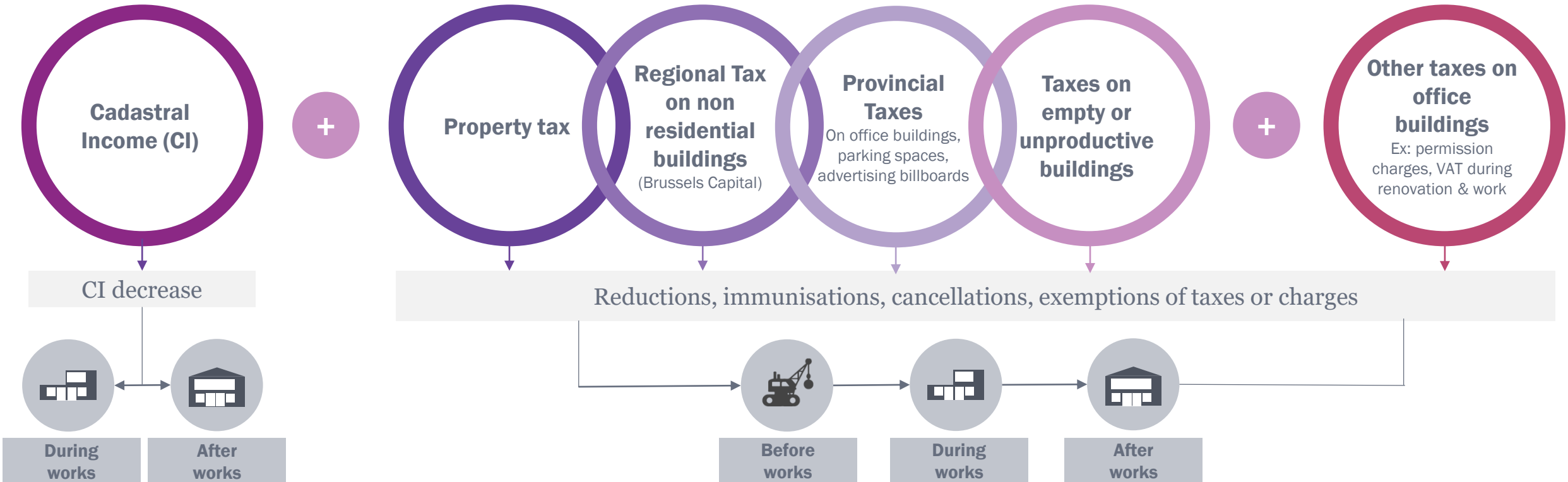


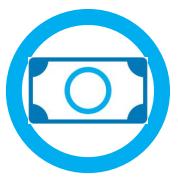
Mid- and long-term  
measures

# Audit and optimization of real estate taxes

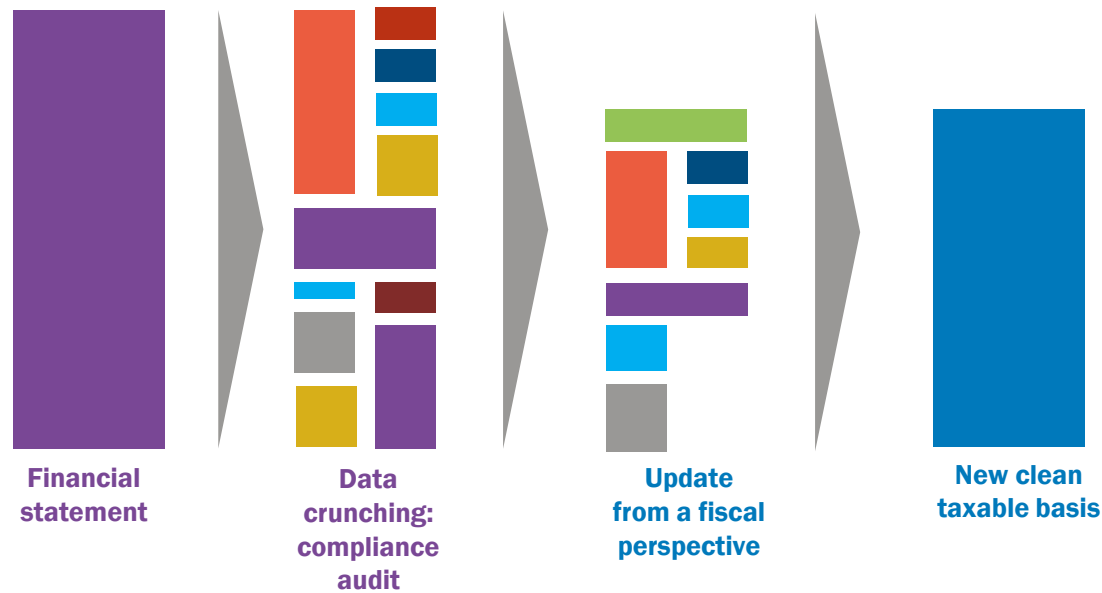
## Free up cash to finance your growth

- Through an in-depth audit, Ayming's real estate tax experts identify the possibilities for optimization in the following areas, depending on the phase of the works:





- On M&E, this is important **to control the existing asset list**, and sort what is taxable vs. exempt
- Companies can go a step further by challenging what has been taxed vs. reality (inventories)
- Companies can claim what has been overpaid and get it back
- In the end, it is important to **deconstruct your financial statements** in order to **reconstruct the right fiscal value of your assets**.





# R&D investments: enhanced tax deduction or tax credit

## Save up to 3,375% of your R&D investments

### Qualifying expenditure



#### Environment friendly Capex

- At least neutral for the environment
- Dedicated to R&D activities



#### Opex for investments in patents

- Salary costs;
- R&D infrastructure costs;
- Patent registration duties;
- Depreciation, administration and finance costs.



#### Energy saving investments

- Solar panels
- Isolation systems
- Energy monitoring systems etc..

### Your benefits

#### Enhanced tax deduction

- Deduction of **13,5%** of capitalized R&D assets
- Net savings after Corporate tax 25% = **3,375%** (one shot)
- **Carry forward** if insufficient tax base

### Calculation

- Deduction of **13,5%** of investments in tangible and intangible assets (and up to 20% in certain cases)

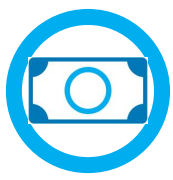
### Option: tax credit vs. tax deduction

- Applicable to up to four years of subsequent taxable periods, in case of insufficient taxable profits
- Reimbursable after 5 years (cash-back)

#### Tax credit

- Deduction of **13,5%** of capitalized R&D assets
- Net savings after Corporate tax 25% = **3,375%** (one shot)
- **Cash back in the 5<sup>th</sup> year** if insufficient tax base





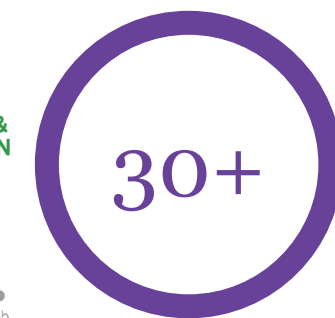
# Grants in Belgium

## A complex landscape

- There are **thousands of grants available** for private companies at European, federal and regional levels.
- All have **different goals and qualification criteria**: activity, projects, company size, location, amounts range,...
- Depending on the administrations / projects: fixed or no deadlines, calls for proposals, co-financings, consortium, etc...
- The **average success rate** for stand alone application is between **10 & 30% depending on the scheme.**
- They all have in common: the **application must occur BEFORE the investment starts.**

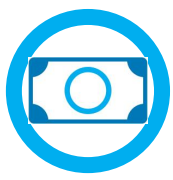


**Grants identified at regional level**



**Administrations involved**





### R&D

**Technology-driven and long-term projects**

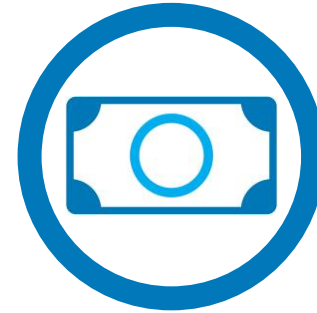
- Support the experimental or the industrial research
- Implementation of new disrupting products, services or production processes



### Environment

**Energy savings, use reduction of resources, circular economy**

- Investment in sustainable, eco-friendly technologies or processes
- CO2 emission reductions, energy consumption reduction, recycling facilities and process
- Investment tax deduction



### Investments

**Facilities, machines, equipment**

- Massive investments in real estate or production lines (over 3 M€)
- Job creating investments
- Investment tax deductions



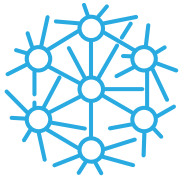
### HR

**Training, hiring, transformation projects**

- Transformation plans with job creation: training to new processes, digitization,...
- Wage withholding tax exemptions when hiring in support zones







ayming



Roadmap  
to free up cash

**Currently**

Government support measures

**Short & Mid terms**

**Refunds** from overcharges

- Payroll costs
- unproductivity

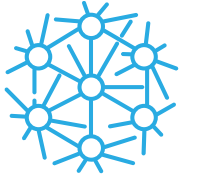
**Savings** for the future

- Investment deduction

**Long term**

Direct funding via grants





ayming



Q&A



ayming

A large white circle is centered on the page. Inside the circle is a photograph of two hands, one from the left and one from the right, holding two interlocking puzzle pieces. The background of the photograph is a bright, hazy sky with a sun visible, creating a lens flare effect. The text "Thank you" is overlaid on the puzzle pieces.

Thank you

[www.ayming.be](http://www.ayming.be)