



Special information: Available emergency aid programs for companies and self-employed persons in Bavaria Status 3 April 2020

On 23 March 2020, the German Federal Cabinet approved emergency aids for small companies, self-employed persons, freelancers and farmers to the tune of up to 50 billion euros. The federal funds are now available to the federal states and can be called up by them. Since 31 March 2020, it has been possible to apply for federal emergency aid in Bavaria. This means that, in addition to the Bavarian emergency aid, which can already be applied for since 17 March 2020, emergency aid from the federal government is now also available. As a result of the introduction of the federal emergency aid program, the eligibility criteria and the amount of the Bavarian emergency aid program have been adjusted to those of the federal program.

The dovetailing of the two programs now allows higher payments for all sizes of enterprises covered. If applicants have previously applied for the Bavarian emergency aid program and now want to benefit from the higher conditions, they must submit a new electronic application. You must specify that an application has already been submitted.

The emergency aid provided by the federal government is in principle independent of the emergency aid programs granted by the federal states. However, the guidelines on Bavarian emergency aid stipulate that the Bavarian program stands back vis-à-vis the federal program if the applicant fulfils the application requirements for both the Bavarian emergency aid program and the federal program. Double payments should not be made.

1. Eligible applicants

1.1 Federal emergency aid programme

Eligible to apply for the federal program are solo self-employed persons, members of the liberal professions and small enterprises including farmers with **up to 10 employees** (full-time equivalents) who are economically active on the market as enterprises. They must carry out their activities from a domestic permanent establishment or a domestic management headquarters and be registered with a German tax office.

1.2 Bavarian Emergency Aid Program

Applications for the Bavarian emergency aid program can be submitted by companies and self-employed members of the liberal professions (**up to 250 employees**) who have a business or workplace in Bavaria.



It follows that for applicants with **more than 10 employees** only the **Bavarian emergency aid program** is eligible. Applicants with **up to 10 employees** participate in the **federal emergency aid program**.

2. Scope of emergency aid

The emergency aid serves to secure the economic existence of the companies and to bridge acute liquidity shortages as a result of the corona crisis.

The emergency aid is graduated according to the number of people in employment and amounts to

- Up to 5 employees: EUR 9,000
- Up to 10 employees: EUR 15,000
- Up to 50 employees: EUR 30,000
- Up to 250 employees: EUR 50,000

The limit for emergency aid is the amount of the liquidity shortfall caused by the Corona crisis, even if it is lower than the emergency aid under consideration.

Part-time employees are converted to full-time employees as follows:

- Employees on EUR 450 basis: 0.3 full-time employees
- Employees up to 20 hours = 0.5 full-time employees
- Employees up to 30 hours = 0.75 full-time employees
- Employees over 30 hours = 1 full-time employee

3. Conditions for granting emergency aid

The prerequisite for entitlement is in each case that the applicant has experienced a **liquidity bottleneck** as a result of the Corona crisis.

Liquidity bottleneck means that the applicant has got into financial difficulties as a result of the Corona Pandemic, which threaten its existence because the **ongoing income from business operations is not expected to be sufficient to pay the liabilities in the three months following the application from the ongoing commercial material and financial expenses** (e.g. commercial rents, leases, leasing instalments).

This is a special feature of the emergency aid provided by the federal government. The concrete one-off payment is based on a credibly insured liquidity shortage for three or five consecutive months. The five-month period is applied if the applicant was granted a rent or lease discount of at least 20% during the application period. This is not provided for in the Bavarian emergency aid.

In the case of affiliated companies, the liquidity bottleneck must be assessed for the company as a whole.

It is now expressly clarified that **private and other (i.e. also operational) liquid funds no longer have to be used** primarily to cover the liquidity bottleneck. This was previously demanded in the Bavarian emergency aid program.



The applicant must affirm that he/she is **in financial difficulty as a result of the Corona pandemic** and has not previously been in financial difficulty. With regard to Bavarian emergency aid, it has been clarified that applications relating to liquidity bottlenecks that occurred before 11 March 2020 are not admissible. However, the details of the application must be - false statements may constitute the offence of subsidy fraud and lead to corresponding criminal law consequences.

4. Application

Until now, applications for Bavarian emergency aid could be submitted by e-mail or by post. Since 31 March 2020, applications for the emergency aid programs of the Federal Government and the Free State of Bavaria can only be submitted online. Applications submitted by other means will no longer be processed with immediate effect.

You can access the online application on the [website of the Bavarian State Ministry of Economic Affairs, Regional Development and Energy](#). The application must be submitted by 31 May 2020 at the latest.

After you have entered the number of your employees, the program recognizes and decides whether the Bavarian or German emergency aid program is to be used for you. The relevant application form appears automatically.

The application shall specify the amount of the liquidity shortfall. Applications with information such as "not yet foreseeable" cannot be processed and therefore cannot be considered.

5. Concluding note

The aim is of course to transfer the funds as quickly as possible. It is therefore also important to submit the application as soon as possible. Nevertheless, it should be checked whether the conditions stated in the application are met. We would point out that incorrect information can have far-reaching negative consequences.

Finally, we would like to briefly point out our other [special information](#). If emergency aid is not possible, a grant is not awarded or the emergency aid is not sufficient, we recommend that you examine what other possibilities are conceivable for financial relief. At present, these are particularly worth considering (we have added our contact persons in brackets):

- Reduction of advance tax payments and deferral of tax debts ([Andrea Seitz](#))
- Applying for short-time working allowance ([Andreas Katzer](#))
- Application for liquidity support ([Joachim Mairock](#))

In view of the complex situation, we would be pleased to offer you our support on all these issues in the specific individual case, so that you can act as optimally as possible in the present situation.



The above statements are only a non-binding compilation according to the current status. No liability is assumed for the correctness and completeness. We would be pleased to support you in checking and, if necessary, implementing the above measures in your company.

Your familiar contact persons are gladly at your disposal regarding this matter.

In addition, you will find the contact persons who have been particularly involved in the above-mentioned topics.



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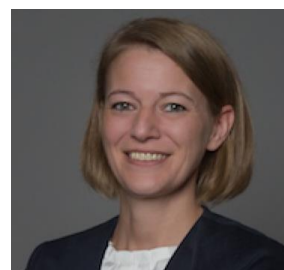
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Concluding remarks

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