

COVID-19 compensation schemes in Denmark

There are currently five different compensation schemes that Danish enterprises may use in order to compensate for lost revenue due to the government-mandated shutdown.

1. Compensation for salary expenses of employees sent home without work
2. Compensation for fixed costs in the event of a decrease in turnover
3. Loans and credits (state guarantee)
4. Support to freelancers and owners/founders (“selvstændige”)
5. Compensation for loss due to cancellation or postponement of major events (such as public festivals or concerts)

Below we give you an overview of the first four of these, as they are considered the most relevant for companies within energy and offshore, shipping and transport, construction and international trade.

The schemes have been prepared by the authorities on an urgent basis, without full overview of the contents and its impact, and many questions have been raised. Companies should always consult with the latest changes and amendments to the compensation schemes, as these change on a regular basis.

1. Compensation for salary expenses

- **Period:** 9 March – 8 June 2020
- **Who can apply:** companies that have sent home employees without work. At least 1 employee full time or part time. At least 30% of staff or more than 50 employees. Employees must take 5 days of vacation during the period.
- **Documentation:** Information on the employee, CPR number, salary, degree and type of employment. Period for which compensation is sought.
- **How to apply:** Application procedure may be found on www.virksomhedsguiden.dk
- **Payment:** Application is handled by the Danish Business Agency, and payment will be made as soon as possible.
- **Final documentation:** Once the coronavirus/Covid-19 crisis is over, further information must be submitted. Companies will be notified.

2. Compensation for fixed costs

- **Period:** 9 March – 8 June 2020
- **Who can apply:** companies that have fixed costs of at least DKK 25,000 and expect at least 40% decrease in turnover, or has been closed at government order.
- **Documentation:** Calculation of fixed costs, turnover and result in the reference period. The company’s auditor to prepare a declaration confirming the information. Calculation of fixed costs and decrease in turnover in the compensation period.
- **How to apply:** Application procedure may be found on www.virksomhedsguiden.dk. Auditor is notified to submit his/her declaration.
- **Payment:** Application is handled by the Danish Business Agency, and payment will be made as soon as possible.
- **Final documentation:** When the coronavirus/Covid-19 crisis is over, or no later than 8 December 2020, the realised turnover and fixed expenses must be submitted. If turnover or costs are larger or smaller than in the application, the amount will be adjusted.

3. Loans and credits (state guarantee)

- **Period:** 1 March – 30 September 2020
- **Who can apply:** companies that have experienced at least 30% decrease in turnover during a 14 day period. The company shall contact a financial institution such as a bank and go through the bank's regular application procedure. The bank will then apply for a state guarantee for the company's loan or credit.
- **Documentation and how to apply:** Same information as is commonly provided in connection with applications for loans. Documentation for turnover loss. You can find more information on www.vf.dk and <https://ekf.dk/en/coronavirus>.
- **Payment:** The Danish Export Credit Agency and Vækstfonden will reportedly process the bank's application for state guarantee for the loan within a few working days.

4. Compensation to freelancers and owners/founders ("selvstændige")

- **Period:** 9 March – 8 June 2020
- **Who can apply:** freelancers without a CVR number and income of at least DKK 120,000 in 2019. Owners/founders who own at least 25% of the company, turnover of at least DKK 10,000 on average per month, is working in the company, decrease in turnover of at least 30% and a maximum of 10 employees.
- **Documentation:** Period for which compensation is sought. Reason for drop in turnover. Signed statement of correctness of information.
- **How to apply:** Application procedure on www.virksomhedsguiden.dk
- **Payment:** Application is handled by the Danish Business Agency, and payment will be made as soon as possible.
- **Final documentation:** When the coronavirus/Covid-19 crisis is over, compensation must be repaid wholly or partly if loss is less than originally calculated. Further information must be submitted. Companies will be notified.

----- 00 -----

For questions or comments to this newsletter or energy and offshore in general, please contact Bo Sandroos on +45 4088 5422 or bos@wsco.dk.

The information in this newsletter is for information only and cannot replace legal advice.

WSCO is a leading law firm with a special focus on energy and offshore, transportation and shipping, global trade, insurance and dispute resolution. www.wsco.dk.