



FIRST ESTABLISHMENT TAX EXEMPTION

MEASURES TAKEN IN THE CONTEXT OF THE COVID-19 CRISIS

SITUATION

On March 18, 2020, the National Security Council made the decision to close all non-essential businesses and shops. These businesses were only allowed to reopen on May 11, 2020. This closure decision resulted in preventing some officials from asserting their tax exemption rights during this period.

TEMPORARY MEASURES

Two temporary measures have been established.

1. EXTENSION OF THE TIME LIMIT

Who is concerned by this extension?

Officials benefiting from a first establishment tax exemption with an end date between March 18 and July 13, 2020.

For how long?

9 additional weeks (effective duration of the non-essential businesses closure) to the initial end date, but not exceeding July 13, 2020.

Example 1: official A's end date is March 15, 2020. This date was before the start of strict lockdown and remains unchanged.

Example 2: official B's end date is April 15, 2020. This date is within the period from March 18 to July 13, 2020. The end date is therefore postponed by 9 weeks and is now June 17, 2020.

Example 3: official C's end date is June 15, 2020. This date is within the period from March 18 to July 13, 2020. If the end date is postponed by 9 weeks, it becomes August 17, 2020. However, the extension cannot exceed the date of July 13, 2020. The new end date will therefore be July 13, 2020.

Important note: all the other conditions of the first establishment tax exemption continue to apply (e.g. the list of objects excluded from tax exemption or the number of vehicles that can be acquired remains unchanged, etc.).

2. DEROGATION FOR THE VEHICLE REGISTRATION PERIOD

To be able to apply for the first establishment tax exemption for a vehicle, the vehicle must be registered before the end date. This rule may be waived if the official who wishes the exemption for this purchase, can prove that the delay in delivery of the vehicle is due to the COVID-19 crisis (ex: certificate from the manufacturer / car dealer).

Please note: no other exception for COVID-19 reasons from the usual tax exemption rules will be accepted!