

Amcham Newsletter N°2 3rd April, 2020

Dear Members and friends of Amcham,

As we enter our third week of confinement it seems that there are still a lot of serious questions to be raised in respect to company bail outs and financial help available. To this end, we at Amcham with Chronicle.lu have compiled a survey that we would ask you to fill out for us to be in no later than Thursday 9th April, 2020: <https://survey.sogosurvey.com/r/QnC2yU>

The results will be published on our website on Friday 10th April, 2020

Here is a round up of the week with vital company information.

On March 30, 2020, the Chamber of Deputies unanimously adopted [Bill 7532](#) introducing an aid scheme for companies experiencing temporary financial difficulties linked to the COVID-19 crisis. Aid to SMEs is also provided for in the bill, which aims to quickly and without bureaucratic burden support businesses affected by the current health crisis. The budgetary envelope mobilized by the State to come to the rescue of SMEs amounts to 300 million euros (among the 8.8 billion announced for the [Stabilization Plan](#)).

Aid of up to 500,000 euros per company is planned to deal with the situation. The allocation of the planned aid is nevertheless subject to a series of conditions. These are explained in a video made available in 5 linguistic versions by the House of Entrepreneurship of the Chamber of Commerce in collaboration with the Ministry of the Economy, Directorate General of the Middle Classes:

Full video in English here: <https://vimeo.com/402869014>

A very interesting article in *Paperjam* on 1st April, 2020 by Thierry Labro said the following:

The Minister of the Economy, Franz Fayot, made a gesture for young innovative companies, Tuesday in the Chamber of Deputies. But what reality will it take? The question remains.

With the still slightly wavering voice of those who are not yet familiar with opposition critics or fellow citizens, the new Minister of the Economy, [Franz Fayot](#) (LSAP), [stopped for a moment on start-ups, Tuesday afternoon, when the stabilization pact bill is voted on](#) .He had just promised faster, wider and less bureaucratic aid. For start-ups, the minister decided to increase the State's

commitment from 50% of a total capped at 800,000 euros to 70%. In a tweet dated 31st March, 2020 he tweeted

“ I decided to adjust the financial aid for young innovative companies by providing up to € 800,000 to co-finance at least 70% (before the crisis it were up to 50%) of all costs borne by a start-up for the duration of its project @ccluxembourg @StartupLu @uel_lu”

But it is not that simple. Because the law on research and innovation is open to innovative companies less than five years old, which are generally called start-ups, but not under any conditions.

So far, to claim to cover 50% of its costs, the start-up had to either demonstrate, by an outside expert, that it was bringing a breakthrough technology, or that its research and development costs represented minus 10% of its costs over three years, or over a year provided that its accounts are certified by an external auditor.

This is probably what explains why the device is not widely used by start-ups, according to the latest annual report from the Ministry of the Economy available. In that of 2018, at a time when it was not yet widely known, only 5% of the 86 projects (involving 100 million euros in costs) came from innovative companies. That year, the device cost the state 34 million euros.

Start-ups, like other companies, can claim leave for family reasons or partial unemployment, erected by the Minister as a pillar of these temporary aid. and therefore this reimbursement of 70% of the costs.

Another olive branch was given out today 2nd April, 2020

A fantastic initiative by an Independent person **Mr Giovanni Petri** was to start a Facebook page dedicated to SME/Self employed persons, “ **Rescue Independants and Start-Ups**” which has gathered over 6000 members in less than a week. This in turn has now proved so popular that an ASBL has formed which everyone can join free of charge here: <http://alliancup.org>

On a more lighter note, we at Amcham have also been scouring the web for some useful practical information regarding the Corona Virus and come up with some cleaning tips, the Corona Virus in different forms has been around for some time and surprisingly a lot of us have these basic cleaning products in our own homes so here are some Corona Virus beating idea's to clean our houses! <https://www.consumerreports.org/cleaning/common-household-products-that-can-destroy-novel-coronavirus/>

And for a couple of stimulating Brain Teasers! Answers at the bottom of the newsletter!

1) You buy it to eat, but you don't eat it.

What is “it”?

2) This word has 10 letters namely 1234567890

1234 – carries heredity

456 – is a period of time

567 – is a pest

And 890 – is a charged particle

What is the word?

We are already working on our next AMCHAM Newsletter to be published in a week's time. In the meantime, feel free to pass this Newsletter to your colleagues and friends and let us know if you have any comments or questions.

All best wishes from the AMCHAM team.

Answers to the Brain Teasers:

1. Silverware
2. Generation