

COVID-19  
**Practical Overview for  
Businesses in the Netherlands**





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# 01 Introduction

- 1.1 Whilst the global COVID-19 outbreak remains fluid, slowly we can start to explore some of the long-term effects on global supply chains and sectorial activity. The lessons learned to date are set out per topic on our dedicated website: **Baker McKenzie Center - Beyond COVID-19: Resilience, Recovery & Renewal**. To zoom in on the situation in the Netherlands, we created an overview of relevant short-term measures that the Dutch government has taken and announced to mitigate the impact of COVID-19. In this briefing note, we summarize the most important measures and touch upon various other topics that might be relevant in the current turmoil.
- 1.2 The purpose of this note is to comment on the material issues that businesses in the Netherlands face in connection with COVID-19 and to offer some practical guidance in relation to each of the following areas:
  - A. Employment and Pensions (p. 5);
  - B. Commercial contracts (p. 7);
  - C. Corporate Matters (p. 8);
  - D. Financing (p. 12);
  - E. Real Estate (p. 15); and
  - F. Tax (p. 16).
- 1.3 This note has been prepared for guidance only and does not constitute formal legal advice or any recommendation by Baker McKenzie.

## 02 Employment and Pensions

- 2.1 Whilst some COVID-19 measures relating to employment are adopted globally (e.g., self-isolation and working from home), the implementation of such measures and employment protections vary per jurisdiction. For the latest employment law guidance, we recommend that you read our latest **Global Employment Guide**, which covers 11 key questions across 41 jurisdictions.

### 2.2 Now

Globally, many companies are suffering turnover loss while at the same time they are trying to limit their costs. A significant part of those costs often consists of wages. In the Netherlands, the Dutch government implemented an important compensation scheme to provide financial assistance to employers. Companies that expect a loss of turnover of at least 20% for a period of three months can apply for an allowance of the wage costs (subject to certain conditions) under the Temporary Emergency Scheme for Work Retention (*Tijdelijke noodmaatregel overbrugging voor behoud van werkgelegenheid*, "**NOW**").

- 2.3 Under the NOW, employers continue to pay the employees' salary for 100%, while receiving a substantial compensation towards the wage costs of up to 90% of the wage sum (up to a certain maximum) from the Dutch Labour Authority (*Uitvoeringsinstituut Werknemersverzekeringen*, "**UWV**"). The compensation applies with respect to employees with a permanent and flexible contract, such as on-call workers. The exact allowance will depend on the amount of loss of turnover (e.g., if the loss of turnover is 50%, then the allowance will be 45%). The UWV will provide an advance payment of 80% of the requested allowance while the actual decline in turnover and thus the exact amount of the allowance entitlement will be determined and settled at a later stage. A requirement for the NOW allowance is that employers strive not to dismiss employees for business economic reasons during the allowance period, which lasts three months but can be extended with another three months upon request. If an employer does dismiss an employee for business economic reasons, the employer pays a 'penalty' in the form of a decrease of the allowance granted by the government for that employee.

The UWV started handling requests for allowance from 6 April 2020 onwards. For more detailed information on the NOW, please read our **Employment Update**.

### 2.4 Tozo

The Dutch government's emergency package also includes the Temporary Scheme for Self-employed Entrepreneurs (*Tijdelijke overbruggingsregeling zelfstandige ondernemers*, "**Tozo**"). This only applies to self-employed entrepreneurs. Under the Tozo, self-employed entrepreneurs can receive income support up to a maximum of EUR 1,500 net per month, for a period of three months. Because of COVID-19, this provision has temporary flexible conditions: for example, the income support for maintenance does not have to be repaid at a later stage. In addition, self-employed entrepreneurs can apply for a working capital loan of up to EUR 10,157 at 2% interest.

## 2.5 Pensions

Employers meeting the criteria to receive a compensation for wage costs under the NOW, also receive compensation for employer's contributions, among which pension contributions and holiday allowance, through a fixed surcharge of 30% on top of the wage compensation. This surcharge includes both the employer pension contribution and the employee pension contribution, if any.

Besides, the pension sector agreed to extend a hand to employers who experience immediate payment difficulties regarding the payment of the pension contributions. Pension funds, insurance companies and premium pension institutions are, with the support of employers and employees, willing to help affected entrepreneurs where possible. Because the problems differ per sector and employer, customization will be offered on the basis of the below solutions. The scope for customization is however limited by current statutory requirements.

- A. Payment arrangements:** Payment arrangements with individual employers who face payment difficulties. In that case, the individual employer must report to its pension provider.
- B. Extension of payment:** Extension of payment terms within which the employer must pay the pension contributions, for affected sectors and employers (within the legal possibilities).
- C. Adjustment recovery policy:** Pension administrators apply less strict recovery policies when collecting pension contributions, e.g., by postponing the use of collection agencies and / or the imposing of administrative fines, in affected sectors.

It will depend on the circumstances of the case and the pension administrator, if and to what extent a customized solution will be offered. Employers who experience payment difficulties may contact their pension advisor, or pension administrator directly, to discuss the options.

Confluence between a compensation under the NOW and a customized solution by the pension administrator only seems possible regarding the employer part of the pension contribution and only as far as the surcharge would be insufficient to pay the full pension contribution. If eligible, the employer should make use of the surcharge to pay the full pension contribution.



## 03 Commercial contracts

- 3.1 Since the COVID-19 outbreak, several parties already terminated or postponed their contractual performance through force majeure provisions or other mechanisms. In anticipation of an increase in future claims of this nature, companies should identify the commercial contracts they are a party to (whether as buyer or supplier) and which may be affected by COVID-19.

### 3.2 Contractual and Dutch law considerations

Below is a selection of common contractual provisions and/or Dutch law concepts, which are relevant to the rapidly unfolding events surrounding COVID-19 and the party, which may benefit primarily from the provision:

Contractual Provision / Dutch Law Concept	Buyer Benefit	Supplier Benefit	Outcome
Change in law		✓	Typically, a supplier bears the risk of compliance with laws, but a change in law provision may also entitle the supplier to an extension of time.
Force majeure (Section 6:75 Dutch Civil Code, ("DCC"))	✓	✓	Suspension and possible ultimate termination of the contract, depending on the duration of the force majeure event.
Unforeseen circumstances (Section 6:258 DCC)	✓	✓	Amendment or termination (in whole or in part) of the contract by a judge upon request.
Suspension (Section 6:263 DCC)	✓	✓	Suspension – a suspension provision may entitle both parties to additional time.
Termination (Section 6:265 DCC)	✓	✓	Termination in whole or in part – a termination provision may enable both parties to terminate the contract.

Companies should take a proactive role to meet their existing contractual obligations and to evaluate whether their counterparties are doing the same to avoid the need to invoke force majeure or an equivalent concept under applicable laws or contract. Even if proactive steps prove unsuccessful, a company's attempt to mitigate its risk in advance will be relevant to a court's determination of whether reasonable steps were taken to continue to satisfy contractual obligations and whether performance was truly impossible.

Parties may also consider whether and under what circumstances their contracts allow them to seek alternative remedies (e.g., engaging other third party suppliers) or consider negotiating a mutually beneficial arrangement irrespective of the existing contractual obligations to deal with the current unique circumstances.

For more information on force majeure and international commercial contracts, please read our [Global Guide to Force Majeure and International Commercial Contracts](#).

## 04 Corporate Matters

### 4.1 Annual General Meetings ("AGMs")

Many countries are working on emergency laws for the regulation of AGMs. The Dutch House of Representatives adopted a legislative proposal (the "**Emergency Proposal**"), which amongst others temporarily suspends the requirement for AGMs to be held at a physical location and allows virtual decision-making. Companies that choose to hold a virtual AGM are required to allow shareholders to submit questions, which must be answered during the AGM. This does not only apply to Dutch listed companies and associations, but also to cooperatives, mutual societies, private limited companies and owners' associations who have to organize AGMs.

To date companies in the Netherlands have responded in different ways with respect to their AGM:

- A. Postponement:** Many Dutch listed companies have postponed their AGM until the end of June 2020, as the annual accounts need to be adopted by the general meeting within six months following the end of the previous financial year. The Emergency Proposal makes it possible for Dutch listed companies to postpone their AGM, and the adoption of the annual accounts, until November 2020.
- B. Physical AGM:** Some companies have decided to still hold a physical AGM where only the minimum quorum requirements will be met (i.e., presence of a chairperson, secretary, at least one proxy holder and any other requirements as set out in the company's articles of association). The Dutch government prohibited all events (regardless of the number of attendees) until 1 June 2020. However, physical AGMs are still allowed if there are no more than 100 attendees and if they are able to keep 1.5 meter distance. The companies do strongly recommend shareholders to vote by written proxy.
- C. Decision-making outside AGM:** To avoid a physical meeting, some companies also choose for decision-making outside a formal AGM. Under Dutch law, shareholders are allowed to make decisions outside a formal AGM if all persons who are entitled to attend the AGM agree thereto.

### 4.2 Execution of documents under Dutch law

With increasing numbers of people working remotely, electronic signatures present a welcome solution. In the Netherlands, legally valid forms of signatures generally include: (i) the use of a (electronic) document-signing platform, such as DocuSign; (ii) a name typed at the bottom of an email or into the signature block of a contract; (iii) using a stamp of a handwritten signature; or (iv) printing the signatory's name. However, this is transaction specific and depends on the type of document.



Furthermore, the Emergency Proposal introduces the possibility for Dutch law notaries to make use of audio visual aids, such as signing some notarial deeds (e.g., a testament) via a virtual meeting. Earlier, the Royal Dutch Notarial Association (*Koninklijke Notariële Beroepsorganisatie*, **KNB**) already stated that because of COVID-19, Dutch law notaries should be allowed to do so, provided that they justify their choice in the relevant files.

#### 4.3 **Distributions and contributions of capital**

Companies can move capital in a variety of ways depending on where the capital needs to be moved to and the processes and policies of the relevant companies:

- A. Capital contributions:** Where money is pushed down an ownership chain.
- B. Capital distributions:** Where money is pushed up the ownership chain (e.g., distributions of interim dividend, dividend or share premium).
- C. Intragroup loan arrangements:** Where money is moved by means of a loan from one group company to another group company.

It is important that companies review and implement local laws and tax legislation before transferring cash.

Furthermore, companies should consider their dividend policies in view of the current situation. Under Dutch law, dividend distributions must not put a company's continuity at risk. Therefore, prior to approving or carrying out a distribution of dividend, directors of Dutch companies must assess whether the company will be able to continue to fulfil its obligations following the distribution. In that assessment, directors must also take into account external factors such as COVID-19, which may affect the company's financial position and operations. In this regard, directors can consider to discuss with the shareholders to defer the dividend payment until they can make a better assessment of the impact of COVID-19 on the business.

If directors of Dutch companies proceed with a dividend payment, they should document how they reasonably have come to their decision, because questionable dividend payments may lead to director's liability. If dividends are distributed even though the directors should have known that the company would not be able to fulfil its obligations, the directors may be held liable for the shortfall caused by the distribution. Such dividend distribution may also result in improper management, which in its turn, may lead to director's liability for the deficit in assets if the company goes bankrupt.

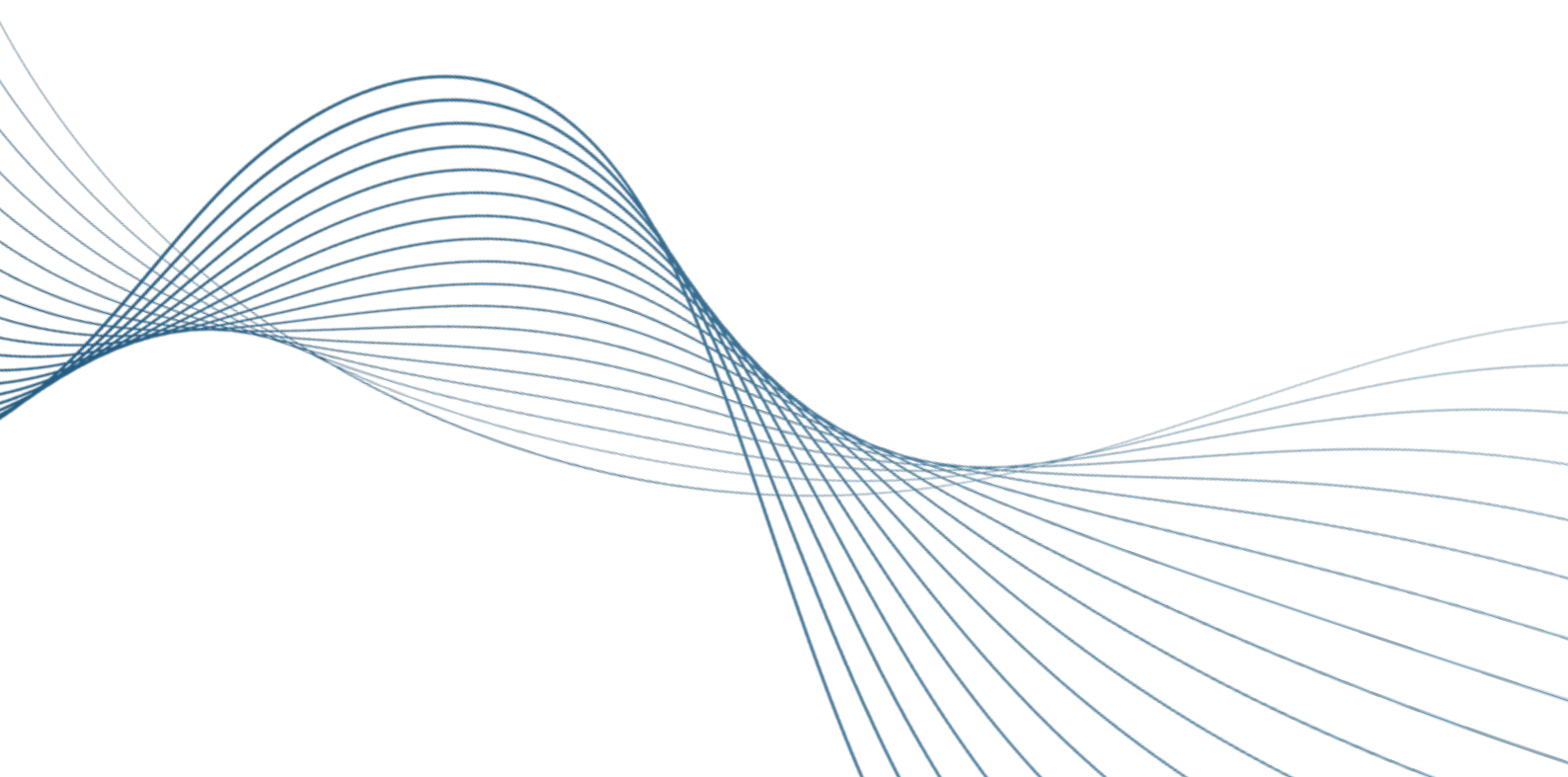
4.4

**M&A: pre-signing stage and duty of good faith**

COVID-19 is also affecting M&A transactions, including those supported by private equity ("PE"). For a discussion on the impact of COVID-19 on M&A and PE transactions, including advice on risk mitigating provisions to incorporate into sale and purchase agreements, please read our client alert "**Addressing Implications and Mitigating Risks on Critical Transactions**".

Under Dutch law, parties are generally free in their negotiations, until they have led the counterparty to have justified expectations, because the Dutch law principle of good faith also applies during the pre-signing stage. This means that if a party breaks off negotiations at an advanced stage, under certain circumstances, it could be held liable for certain obligations without actually having concluded a definitive agreement. In light of this pre-contractual liability:

- A. all parties should pay attention to what has been agreed upon in the pre-signing stage (e.g., in a letter of intent, heads of agreement or memorandum of understanding) and whether additional arrangements should be made;
- B. buyers should consider their due diligence strategy and transaction process in general;
- C. buy-side sponsors should particularly assess purchase price adjustment mechanisms and COVID-19 specific conditions in the transaction documents; and
- D. sellers should arrange for information on the impact of COVID-19 on the target's financial position and operations.



4.5

## Liability of directors under Dutch law

Directors of Dutch companies are responsible for managing the company. Dutch law does not describe what is meant by 'managing'. Therefore, directors are largely autonomous when performing their duties, but they must act in the interests of the company and its business and organisation. They must take into account the interests of all stakeholders and not just or predominantly the company's shareholders. If 'serious culpability' can be attributed to a director (e.g., by acting in breach of the company's articles of association), directors risk liability and may be held jointly and severally liable for shortcomings in the performance of their management duties. A managing director may also be liable to third parties for shortcomings in day-to-day affairs (e.g., as a result of misleading annual accounts or a wrongful act towards creditors, shareholders or employees). Directors can generally mitigate their liability risks by ensuring that they make reasonable and fair decisions, in good faith, taking into account all relevant internal and external factors. Supervisory directors (if any) jointly exercise supervision of the managing directors. Similar to managing directors, supervisory directors are collectively responsible for shortcomings in supervision if they do not perform their duties properly. Supervisory directors may also be held liable by third parties if no reasonable supervisory director would have acted in the same manner under the same circumstances.

In light of the director's liability risk and given the events surrounding COVID-19, managing directors and supervisory directors are expected to take a proactive role when carrying out their duties. Examples of topics that managing directors should currently pay special attention to are set out below:

- A. Accounting:** Directors should oversee the timely publication of the financial statements and, to the extent necessary, consider if the company can benefit from an extended filing deadline according to the Emergency Proposal or otherwise. Directors should also consider whether more regular accounting is required in relation to the impact of COVID-19.
- B. Evaluating financial position:** Directors should consider protecting the company's financial position in general, for example by applying for government support measures or by postponing or lowering dividend payments.
- C. Tax payment:** If COVID-19 has resulted in financial difficulties for the company, directors should consider requesting the Dutch tax authorities to grant a payment deferral of most taxes, including (corporate) income tax, turnover tax and excise duties. Not doing so, may result in director's liability.
- D. Pension payment:** If an employer is eligible to make use of the surcharge to pay the full pension contribution (as mentioned in paragraph 2.5 (*Pensions*)), directors should make use of this to minimize the liability risk for the company's directors in case the employer would not be able to pay the full pension contribution in the future.

## 05 Financing

### 5.1 Analysing the effects on finance documents

Companies may want to consider the potential implications of COVID-19 on existing finance documents. The following contractual provisions are relevant to the events surrounding COVID-19 and may have consequences if triggered (e.g., an acceleration or a drawstop):

- A. No Default Representation:** The 'No Default' representation often includes a representation that no event has occurred, which (i) constitutes a default event under a contract to which the company is a party, and (ii) has a material adverse effect. Sometimes this representation is repeated. In such a case, it is advisable to consider whether the company can still comply with material contracts, despite possible supply chain disruption or any other COVID-19 consequences.
- B. Material Adverse Change Event of Default:** For contracts which contain a material adverse change clause, attention needs to be paid to the definition of 'Material Adverse Change' to determine whether the COVID-19 pandemic is covered, whether by specific reference to a pandemic or more general entitlement arising from an act of government, embargo or other 'catch-all' phrase.
- C. Events of Default due to Cross Default or Cross Acceleration:** Confirm whether a default could trigger a default provision under any other facility.
- D. Financial Ratio Calculation:** Confirm whether any maintenance covenants apply. Also, consolidated net income or EBITDA may be adjusted for the purpose of the financial ratios if unanticipated costs or losses due to COVID-19 arise can be applied.
- E. Incurrence Based Covenants:** Companies that require additional liquidity should review whether there are covenants that restrict the incurrence of additional indebtedness.
- F. Interest Payment Obligations:** Analyse future interest payment obligations and potential cure periods, including any consequences of non-payment.
- G. Rating Downgrade:** Companies should review whether a possible rating downgrade could have adverse consequences (e.g., interest rate ratchet or change of control).

There may be one-sided support options available in the finance documents. For example, it may be worth assessing whether net debt can be reduced (e.g., by injecting equity or subordinated debt into a company) or whether a possible breach can be settled with a prepayment. Furthermore, there may be cure rights available that entitle a borrower to notify the lender that a business disruption event has occurred. Subsequently, to mitigate the impact of such event, future earnings will be adjusted or recalculated. There is no universal definition of 'business disruption event' but it usually includes events such as acts of God and natural disasters and may also include epidemics or pandemics.

## 5.2 State aid

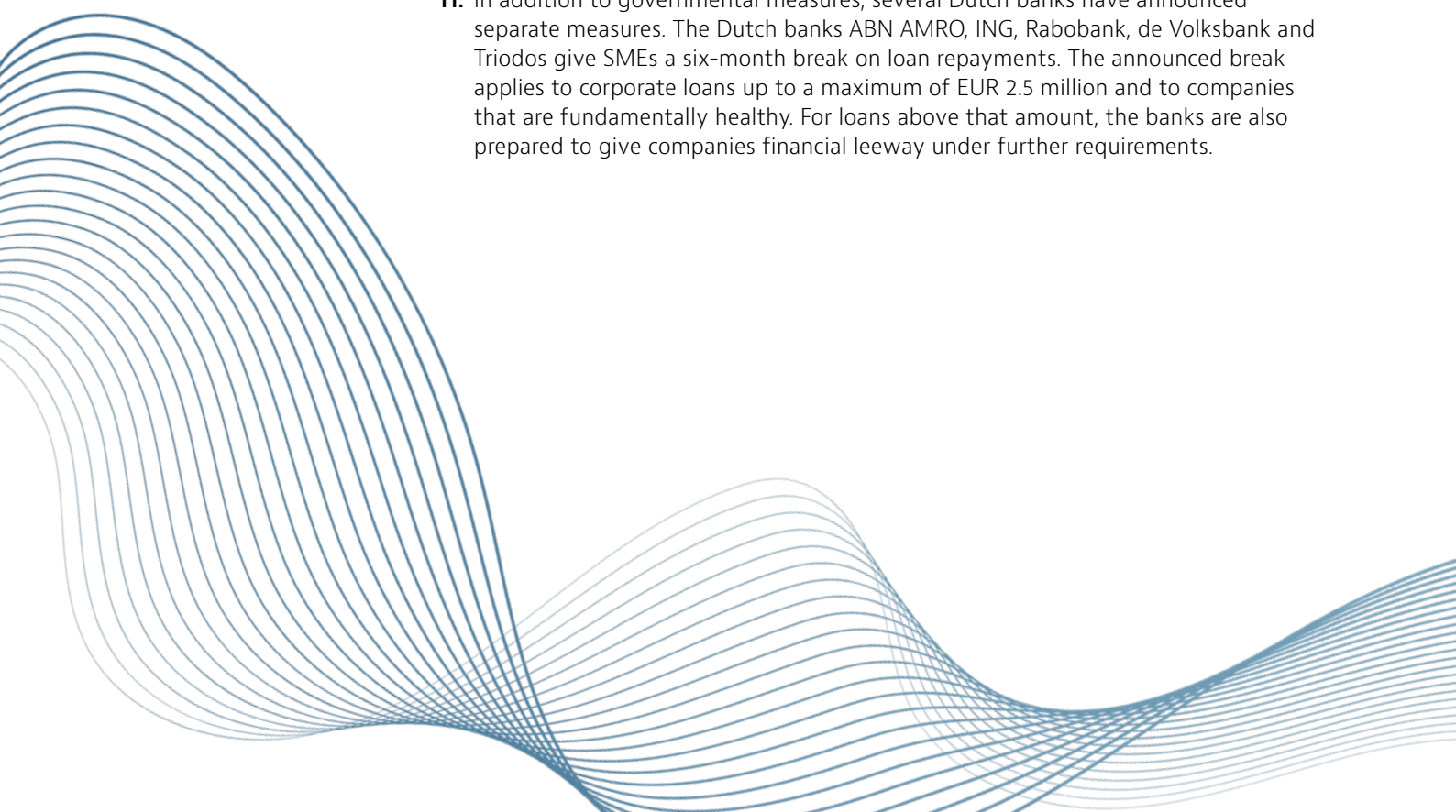
The European Commission (the “EC”) acknowledged the unusual circumstances due to COVID-19. Therefore, the EC introduced a new temporary framework for EU state aid to help European Union Member States to offer certain grants, tax advantages, loans and state guarantees on bank loans. For more information on the temporary framework, please read our client alertt “**EU facilitates Member State support to businesses suffering as a result of the COVID-19 outbreak: Temporary Framework for State aid adopted**”.

## 5.3 Government support initiatives in the Netherlands

The Dutch government announced a series of general and sector-specific COVID-19 measures to help businesses in the Netherlands. The Dutch Chamber of Commerce prepared an **overview** of all measures in Dutch, which is updated daily. A selection of the most important measures is set out below.

- A. The Dutch government has announced the extension of the GO-scheme (*Garantie Ondernemingsfinanciering*) which is an arrangement for medium and large companies affected by COVID-19 and guarantees half of any new funds which banks make available to Dutch borrowers. Furthermore, the Dutch government increased the budget to EUR 10 billion and the 80% (for medium and large companies) and 90% (for small and medium enterprises, “**SMEs**”) state guarantee on loans up to EUR 150 million.
- B. The existing credit guarantee scheme for SMEs (*Borgstelling MKB Kredieten*, “**BMKB**”) has been further expanded as per the end of March 2020 until at least 30 June 2022 to enable SMEs to attract financing in amounts which would otherwise not be possible. The government budget is EUR 1.5 billion. Apart from a company's creditworthiness, there are some general requirements to apply for the scheme: the BMKB is available for companies that (i) exist longer than 3 years, (ii) employ less than 250 employees, and (iii) generate less than EUR 50 million of turnover or have a balance sheet total of less than EUR 43 million. Under the BMKB, up to 75% of the credit can be financed by the government whereas the government covers (*staat borg voor*) 90% thereof. The company has to cover 10%. Companies cannot apply for the BMKB but can ask their accredited financier (e.g., the bank) to make use of the scheme. The maximum credit is EUR 1.5 million. Moreover, the BMKB premium has been decreased from 3.9% to 2%, which makes the scheme more accessible to entrepreneurs. The Dutch cabinet also indicated that banks should consider whether they still charge clients reasonably.
- C. SMEs with a business within one of the industries impacted by the Dutch government measures can also apply for a one-off net payment of EUR 4,000 (under a compensation scheme called “**TOGS**” (*Tegemoetkoming Ondernemers Getroffen Sectoren COVID-19*)). If a company has a main activity which corresponds to one of the SBI codes that apply under the TOGS, or is otherwise eligible, and meets the other requirements, it is entitled to receive such a one-off payment. Companies can submit a request through the website of the **Dutch Enterprise Agency**.

- D. The Dutch cabinet announced specific credit opportunities for startups, scale-ups and other innovative companies. Such companies may apply for bridge financing by the Regional Development Agencies (*Regionale Ontwikkelingsmaatschappijen*). The government budget will initially be EUR 100 million. This scheme will be accessible in the fourth week of April. Also, the Dutch government provides loans to innovative and starting entrepreneurs via the Early Phase Financing facility (*Vroege Fase Financiering*) and the Innovation Credit program (*Innovatiekrediet*). Entrepreneurs may also be eligible for suspension of interest payments and repayment of their loans for a period of 6 months (from 1 April 2020 until 1 October 2020).
- E. The microcredit provider Qredits finances and coaches companies and start-ups with financing up to EUR 250,000. The Dutch government announced that it will support Qredits to extend credits by up to six months and to decrease its interest rates to 2% during such extension period.
- F. Supplier credit is a common form of business financing in the Netherlands. This form of business financing only works if short-term payment terms (usually 30 to 60 days) are insured, by credit insurers or otherwise. Because of COVID-19, borrower default risks increase, which jeopardises the supplier credit system. To prevent insurers from lowering or cancelling insurance limits for entrepreneurs, the Dutch Ministry of Finance is preparing a EUR 12 billion reinsurance plan for short-term credit insurances for the year 2020. Furthermore, the conditions to make use of export credit insurance are temporarily expanded.
- G. The planned phase out of the Growth Facility measure (*Groeifaciliteit*) will be postponed until 1 July 2021. This facility aims to help entrepreneurs who need venture capital (e.g., for quick growth, a transaction or foreign expansion) by providing the financier of a business with a 50% state guarantee on subordinated loans and shares of private equity firms.
- H. In addition to governmental measures, several Dutch banks have announced separate measures. The Dutch banks ABN AMRO, ING, Rabobank, de Volksbank and Triodos give SMEs a six-month break on loan repayments. The announced break applies to corporate loans up to a maximum of EUR 2.5 million and to companies that are fundamentally healthy. For loans above that amount, the banks are also prepared to give companies financial leeway under further requirements.





## 06 Real Estate

- 6.1 In the real estate context, we have not yet seen any governments seeking to formally intervene and provide state aid in relation to rental payments between landlords and tenants, presumably on the basis that these are private contractual arrangements. The department of Economic Affairs is in close discussions with interest groups.

### 6.2 Rent payments and termination rights in the Netherlands

- A. The Dutch government has not introduced specific COVID-19 legislation, but it is urging landlords to come to reasonable agreements with their tenants. Some landlords already made agreements with tenants to waive the rent. For example, Dutch brewer Heineken, who owns 130 properties, waived half of the rent for April and suspended payments until May. Furthermore, the IVBN (*Vereniging van Institutionele Beleggers in Vastgoed, Nederland*) announced to organize help for tenants with rent problems. The IVBN members will accommodate retailers who are unable to pay the rent due to heavy loss of turnover.
- B. In the Netherlands, the trade associations of retailers and property investors reached a non-binding covenant on 10 April 2020. The covenant (*steunakkoord*) was reached between branch organisations of retail landlords and tenants in the Netherlands. The following covenants were reached:
- (i) rent suspension between 50% and 100% (depending on specific circumstances such as the size of the retailer, whether it is part of an international concern, etc.) for three months (as of April). This only applies to retailers with a turnover loss of at least 25% directly attributable to the COVID 19-crisis;
  - (ii) retailers will make maximum efforts to reopen as of a date to be determined;
  - (iii) transparency on turnover loss;
  - (iv) possible remission of rent after the 3-month-period as soon as the impact is clear, which will be tailored to the retailer's specific situation; and
  - (v) the Dutch government and the signing banks (ABN AMRO, Deutsche, ING and Rabobank) commit to do their utmost to guide customers through this crisis an example of this is the fact that large Dutch commercial banks have committed to delay repayments obligations for up to six months under loans to SMEs as mentioned under paragraph 5.3(H) above.
- C. Normally the termination notice period of a rental agreement is 12 months. Keep this period in mind to avoid inadvertently ending up in a new rental period. When the rental agreement does not expire within a considerable period of time, the break option in the agreement may be an outcome. If available, a break option would provide a tenant the opportunity to terminate (part of) the rental agreement, with or without payment of a penalty. The circumstances due to COVID-19 do not constitute a 'default' on the basis of which a tenant may suspend rent payments.

- D. If a tenant is unable to pay the rent, a landlord can, in theory, request an eviction order in summary relief proceedings. However, a Dutch court is unlikely to grant an eviction order because of the present circumstances due to COVID-19 and if the unpaid amount does not exceed three months' rent

## 07 Tax

- 7.1 A number of countries have established special tax programs to help businesses affected by COVID-19. For example, most EU governments (including France, the Netherlands, Spain and Portugal) have announced 'tax relief' measures such as deferred payments of corporation tax and VAT, tax rebates and extensions of tax return filing deadlines. The EU Competition Commissioner confirmed that such tax reliefs would not be regarded as illegal state aid. For further details, we refer to a **statement by the Executive Vice-President of the European Commission on a draft proposal for a State aid Temporary Framework to support the economy in the context of the COVID-19 outbreak**.

### 7.2 Deferral of tax payments

In the Netherlands, taxpayers can file a request for an extraordinary deferral of the payment of most taxes, including personal income tax, corporate income tax, turnover tax, payroll tax, gambling tax, excise duties, insurance tax, VAT and wage withholding tax. The deferral will in principle be granted (and the collection of said taxes will be suspended) if the taxpayer demonstrates in writing that COVID-19 has led to financial problems. An individual assessment of the request will take place at a later point in time. The usual conditions for the deferral of tax payments remain applicable provided that the interest rates have been temporarily reduced to 0.01%. Administrative penalties for late payment of taxes are not going to be issued or are going to be reversed. The letter acknowledges that all requests will have to be handled manually so that the time to process the requests may increase as the number of requests rises.

For up to date tax measures and relief information in the Netherlands and other jurisdictions, please see our **Tax Measures Resource**.

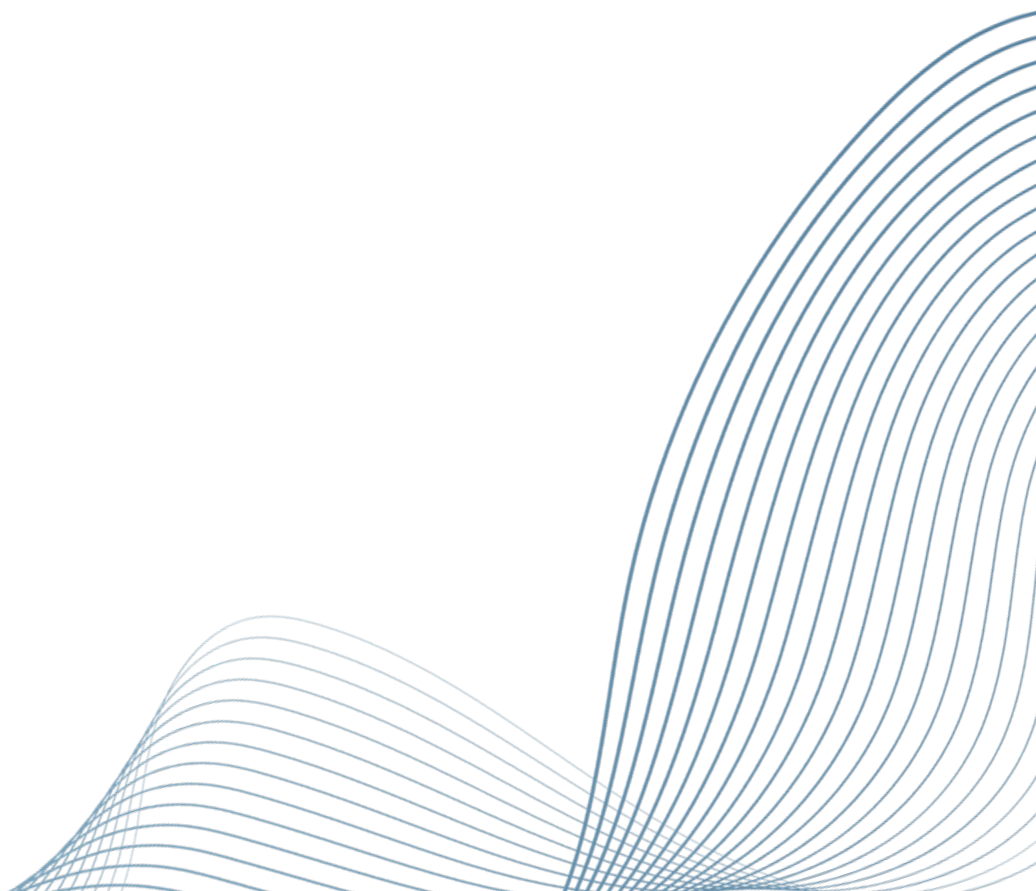
### 7.3 Update by Dutch Customs Authorities

On 23 March 2020, the Dutch Customs Authorities updated their last revised communique from 18 November 2019. This new update gives businesses extra time to adjust their systems until the 15th of the month following the month in which the measures against COVID-19 are no longer in force. This revision is contrary to the original communique, which requested an implementation by 1 April 2020. Given that the current measures against COVID-19 in the Netherlands are, for now, scheduled to be ceased as of 31 May 2020, the systems should thus be adjusted as of 15 June 2020, to make sure businesses are labelled as EU-established entities, as only such entities can formally act as exporter within a supply chain from the Netherlands. For the legal framework, the impact of change on filing customs declarations for non-EU established entities and recommended actions, please see our client alert **"Postponement of Obligation for Exporters to be EU-Established Entities"**.

## 08 Key Takeaways

- 8.1 The restructuring of global supply chains and restrictions on the movement of people and the transportation of goods are just some of the impacts of COVID-19 that may be felt by businesses in the Netherlands and elsewhere. Companies should consider how COVID-19 may affect their ability to continue business as usual. Accordingly, it is recommended that all companies:
- A. monitor, and comply with, government requirements;
  - B. consider measures that may be taken to mitigate any potential consequences of COVID-19; and
  - C. maintain well-organised records, correspondence and paper trails in order to preserve and evidence their entitlements in the event that they can or need to participate in one of the support initiatives from the Dutch government or the financial sector.

Additional resources can also be found at the **Baker McKenzie Coronavirus Resource Centre** or the **Baker McKenzie Center - Beyond COVID-19: Resilience, Recovery & Renewal**.



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