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EMERGENCY MEASURES COVID-19

Aid for the self-employed from the Government of Catalonia

Resolution TSF/806/2020 of 2 April of the Catalan Department of Employment, Social Affairs and Families approved the announcement of aid for self-employed workers to compensate for losses resulting from COVID-19.



AID FOR SELF-EMPLOYED WORKERS

Decree Law 7/2020 of 17 March on urgent measures in the areas of public procurement, health care and management of sanitary waste, transparency, public transport and tax and economic matters ([SEE NEWS ALERT VIII](#)) provided for assistance in the form of a benefit for a maximum of €2,000 for self-employed workers having their tax residence in Catalonia aimed at compensating for losses derived from the impact of COVID-19.

In order to implement this benefit, the requirements for eligibility are specified in the following terms:

Beneficiary requirements

- Beneficiaries must be natural persons and have been registered in the Special Social Security Scheme for Self-Employed Workers (RETA) at least during the first quarter of 2020. Self-employed persons who are members or partners of business enterprises, private civil corporations, community property, labour cooperatives or companies, members of administrative bodies and self-employed workers who collaborate with them are excluded.
- No alternative sources of income should be available. In addition, the tax base in the applicant's last available income tax return must be equal to or less than €25,000.
- From the time the application is submitted and until any payment is received, the beneficiary must comply with his or her state and regional tax obligations and social security obligations, or have been granted the requisite deferral or special debt situation.
- Beneficiaries must be domiciled for tax purposes and, if applicable, have their work centres in a Catalan municipality.
- Beneficiaries must have suspended their business activities under Royal Decree 463/2020 of 14 March declaring the state of emergency and the regulations implementing it.
- The must have undergone a drastic and involuntary reduction in income in March 2020 as a result of COVID-19.
- The aid may also be granted to young people who are beneficiaries of grants to encourage self-employment among young people registered in the Youth Guarantee Programme for 2019 when the duration of such aid had ended by 1 March 2020.

Amount and determination of the aid



The amount of the aid will vary between a minimum of €100 and maximum of €2,000 which will be determined depending on the form of taxation of the self-employed worker concerned. In the direct evaluation method:

- a) Persons registered with the RETA before 1 March 2019: it will be based on income for March 2020 and March 2019.
- b) Persons registered with the RETA from 1 March 2019: the aid will be calculated based on income for March 2020 and the average income since the date of RETA registration.

This income will be determined on the basis of revenue from billings and the fixed monthly expenses directly related to the self-employed activity. The income for March 2020 must be less than €950 and must have fallen by 35% or more.

In the objective evaluation method, the amount will be calculated based on annual net income established by the module corresponding to the worker's business activity as stated in Tax Form 131 for the first quarter of 2020.

Approval and payment procedure

- The procedure must be processed via the web portal of the Government of Catalonia.
- The procedure for granting the aid is non-competitive, until the available credit of €7,500,000.00 is utilised in full.
- Applications will be dealt with in chronological order of submission and therefore when the available credit is used up the applications will not entitle applicants to the aid.
- The deadline for filing applications is one month, from April 6 to May 5.
- Applications must be resolved on within one month as from the day following the date on which the filing period expires. In the event that no specific decision is issued, it will be understood that the request has been rejected due to the absence of any official response.
- The grant will be paid in a single advance payment.
- The aid is incompatible with any other benefit having the same purpose.



The full resolution can be found at the following link:

<https://portaldogc.gencat.cat/utillsEADOP/PDF/8103/1791422.pdf>

We will continue to inform you of any new socio-economic measures and/or changes in legislation that may arise as a result of the COVID-19 pandemic.

The professionals that regularly work with your company are at your disposal for any clarification or additional information you may require in relation to the content of this Alert. Please contact us by telephone at 934 677 414.

Yours sincerely,
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