

APPLICATION INSTRUCTION: SUPPORT FOR RE-EMPLOYMENT FOR CATERING COMPANIES

THE PURPOSE OF THE SUPPORT

Development and Administration centre for ELY Centres and TE Offices (KEHA-keskus) grants and pays support on application for reinstatement to catering companies. The supports are only available to companies whose operations have been temporarily restricted in accordance under section 3a, subsection 1 of the Act on Accommodation and Catering Operations (308/2006) Support will not be granted to personnel canteens whose operations were not restricted in the manner provided by law.

The support for re-employment supports the preparedness and the ability of catering companies to employ workers when the business starts after the restriction period, so that companies reach a level corresponding to that prevailing before the coronavirus epidemic.

The amount of support is EUR 1,000 for each employee covered by the support.

ELIGIBILITY CONDITIONS

The support is paid for an employee to whom the company pays a salary of at least EUR 2,500. The condition for granting the support is that the catering company pays the employee at least EUR 2,500 for a period of three months after the restriction obligation ceases. The calculation of the number of hired labour is based on a VAT-free average monthly charge of EUR 4,500 per person to take into account long-term benefits and the staffing company's coverage. The maximum amount of support granted to companies or groups is EUR 800,000. Invoicing for salary or hired labour / subcontractor need not cover the entire period mentioned above, but it is enough that the company generally pays the salary or the fee for the service for the amount stated above. This allows the company not to have to open the business immediately after the restriction has ceased, if the opening is not immediately profitable, for example, business economically. The conditions for obtaining support are also not certain working hours, but only if it involves a wage cost of at least EUR 2,500 per employee within the stipulated deadline or invoicing of hired labour / subcontractor of at least EUR 4,500 per employee.

The support is granted in the form of temporary State aid in accordance with the communication from the commission C (2020) 1863, up to a maximum of EUR 800 000 per individual company. The temporary state aid framework provision is applied by the EU's standard definition of a company in the Act on Discretionary Government Transfers According to paragraph 11 of the Communication (2016 / C 262/01), several separate legal entities may be considered as a single economic entity for the purposes of the State aid rules. The economic unit in question then constitutes the company to be investigated. In this regard, it is important that, according to the case law of the European Court of Justice, existing verifiable holdings and other functional, financial or administrative links are relevant in this regard.

Support is not granted to companies that were already in difficulty before the outbreak of the epidemic (i.e. before 31.12.2019). a company in difficulty within the meaning of Article 2.18 of the EU General Block Exemption Regulation on 31.12.2019. A company in difficulty means a company in which at least one of the following conditions exists:

- a) the case of limited companies (other than SMEs that has been in existence for less than three years or, for the purposes of eligibility for risk finance aid, SMEs within seven years from its first commercial sale that qualifies for risk finance investments following due diligence by the selected financial intermediary), where more than half of its subscribed share capital has disappeared as a result of accumulated losses. This is the case when deduction of accumulated losses from reserves (and all other elements generally considered as part of the own funds of the company) leads to a negative cumulative amount that exceeds half of the subscribed share capital. For the purposes of this provision, 'limited

liability company' refers in particular to the types of company mentioned in Annex I of Directive 2013/34/EU (1) and 'share capital' includes, where relevant, any share premium.

- b) In the case of a company where at least some members have unlimited liability for the debt of the company (other than SMEs that has been in existence for less than three years or, for the purposes of eligibility for risk finance aid, SMEs within seven years from its first commercial sale that qualifies for risk finance investments following due diligence by the selected financial intermediary), where more than half of its capital as shown in the company accounts has disappeared as a result of accumulated losses. or the purposes of this provision, 'a company where at least some members have unlimited liability for the debt of the company' refers in particular to the types of company mentioned in Annex II of Directive 2013/34/EU.
- c) where the undertaking is subject to collective insolvency proceedings or fulfils the criteria under its domestic law for being placed in collective insolvency proceedings at the request of its creditors;
- d) where the undertaking has received rescue aid and has not yet reimbursed the loan or terminated the guarantee, or has received restructuring aid and is still subject to a restructuring plan;
- e) the case of an undertaking which is not an SME, where, for the last two years,
 - 1) the undertaking's book debt to equity ratio has been greater than 7,5 and
 - 2) the undertaking's EBITDA interest coverage ratio, before interest, taxes and depreciation, has been below 1,0.

The payment is based on the number of workers declared by the company taking into account the salary income in February and the maximum amount calculated based on the invoicing of the work carried out by temporary agency workers/subcontracting work. A condition is that when applying for support, the company undertakes to pay salaries at the amount required to receive the support and to employ the notified number of hired workers. Compliance with the condition is followed by post-control based on random selection. The company is obliged to repay overpaid support if it does not employ under the granting decision.

An undertaking is obliged to repay overpaid support if it does not employ a number of persons under the decision granting or if the number of salaries required for them does not accrue. Neglecting the obligation entails the obligation to pay interest on late repayment of support paid in excess of the amount.

There is no right to support for workers whose salary costs the company receives other public support, such as pay subsidies according to the Act on public employment and business service (916/2012).

The payment is shown on the recipient's bank statement as a reference to support for the re-employment of MARA. The catering company receives a written decision on remuneration for restricting the business, as well as instructions concerning claim for a revised decision.

You can only apply for support once. The application is open until 31.10.2020. The start of the application is announced on the websites of the KEHA-centre, ELY Centers and Ministry of Economic Affairs and Employment.

The granting of support is based on the Act on support for re-employment in the food and beverage service sector and on compensation for the restrictions on activities (403/2020).

HOW TO FILL IN THE APPLICATION FORM:

Fill in all details of the application form:

- 1) Name of the company / applicant. In regards of the state aid regulation, it is recommended that the group submit an application for aid on behalf of group subsidiaries and branches.
- 2) Business ID / personal identification number
- 3) Address
- 4) Zip code
- 5) Post Office
- 6) Name of contact person
- 7) Contact phone
- 8) Contact person's e-mail address
- 9) IBAN account number and bank BIC code for payment of the remuneration
- 10) Number of full-time employees re-employed and number of employees with pay subsidy
- 11) Number of persons to be re-employed for whom no other aid has been received
- 12) Number of temporary agency workers
- 13) Total amount of support applied for in euro and number of persons
- 14) The place and date
- 15) Signature, name clarification and position in the organization

The application must be accompanied by an extract from the payroll records for February 2020, if the enterprise is not covered by the VAT monthly tax return. The payroll records verify the company's actual payroll, which is divided by the calculation figure of 2500 to determine the amount of support. Also add an excerpt from the February 2020 payroll if the company is not covered by the VAT month tax return. If the company applies for support for staff hired out by staffing companies or hired out by labor acquired as subcontractors, attach a copy of the invoice for this workforce for February 2020. You can also attach, for example, the necessary authorizations in the appendix.

APPLICATION FOR SUPPORT AND ASSESSMENT OF THE USE OF THE SUPPORT

- 1) Apply for support mainly using the electronic form. The e-service uses strong authentication.
- 2) If it is not possible to use the e-service, use the printable application form. The form can be printed or completed electronically by saving it on your own computer.
- 3) Fill in the application carefully and attach any attachments. An incomplete application, the need for further investigation and amendment of the application during the procedure may prolong the proceedings.

Submission of the application

- 1) Submit the application with attachments via the e-form, or
- 2) by submitting the application by mail to the KEHA-centre's registry.
- 3) If the KEHA-centre requests to supplement the application, submit the requested complements within the specified time limit or negotiate an additional time with the authority.

- 4) Once the KEHA-centre has received sufficient and accurate information to decide the case on the grant application, it will make an appealable decision. The decision is sent to the applicant of the support.

Statement on the use of the support

- 1) The use of the support is investigated by the KEHA-centre afterwards through monitoring measures. More information can be found on the KEHA-centre's website.