

APPLICATION INSTRUCTION: REMUNERATION FOR BUSINESS RESTRICTION TO CATERING COMPANIES

THE PURPOSE OF THE REMUNERATION

Development and Administration centre for ELY Centres and TE Offices (KEHA-keskus) grant on application to companies in the catering industry remuneration for restriction of operations. 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) Remuneration and support will not be granted to personnel canteens whose operations were not restricted in the manner provided by law.

ELIGIBILITY CONDITIONS

Catering companies are entitled to reasonable compensation for the costs they incur under the restriction obligation. Remuneration is granted for rents for premises, costs for plumbing and electricity and similar inflexible running expenses incurred by the entrepreneur, therefore not raw material purchases or labour costs, nor investment costs. The remuneration is proportionate to the change in the company's sales caused by the restriction obligation.

Remuneration is paid to catering companies only for the days covered by the restriction obligation (58) 4.4.-31.5.2020. The maximum amount of the remuneration is EUR 500,000 for the period covered by the restriction obligation. As a basis for determining the remuneration is the information provided by the company in its value added tax. In the case of catering companies that do not apply the monthly procedure in their VAT returns, information should be provided separately on the reduction in sales on the application.

The remuneration is 15 percent of a comparison figure of no more than one million based on sales and 5 percent of a comparison figure which is higher than that.

The KEHA Centre grants and pays automatically as a part payment 15 % (to companies with more than 1 million euro average sales 5%) without applying to a catering company, unless it is a company that operates catering business as a subsidiary business, is not a staff restaurant, applies a monthly procedure to its VAT and is not a company that has gone bankrupt. In the second payment, the KEHA-centre automatically reimburses without applying for final remuneration.

The basis for calculating the first instalment of the remuneration payable in advance to those **subject to mass payment** is

Monthly sales in January-February 2020 or April-May 2019 (comparative figure) * 0.75 (assumption of sales reduction) * 0.15 (remuneration) = Compensation amount

The KEHA-centre ensures that the company gets the best possible comparison.

The down payment is shown on the recipient's bank statement as a reference to MARA remuneration for restriction operations www.keha-keskus.fi. The advance is paid according to the bank account information provided by the company to the Tax Administration.

The final payment is paid according to the decrease in actual sales in April compared to the most favourable reference date according to the following calculation:

Average sales up to 1 million euro: the company's remuneration percentage for the restriction period is 15 %, in which case the calculation formula is as follows: (decrease in April sales compared to average sales in comparison months) * 15% * 1/30 * 58 - advance payment = final remuneration.

The advance payment is deducted from the final payment of the remuneration, which cannot be made until after June 12th based on the VAT information that will be used.

The final payment is shown on the recipient's bank statement as a reference to MARA remuneration for restriction of operations www.keha-keskus.fi. The catering company receives a written decision on remuneration for restricting the business, as well as instructions concerning claim for a revised decision on corrective action.

The catering company can check whether it is covered by automatic payment on the KEHA-centre's website www.keha-keskus.fi/emergency-financing with the help of a search request that is published. According to the search function, which is based on the business ID, the catering company receives either information that it belongs to the automatic payment or a message that support should be applied for separately using an application form.

Application process: A catering company that is not covered by the automatic payment must show the reduction in sales separately with the application. The remuneration is applied in a rate.

As remuneration for the restriction period, is paid at most the amount that would be recorded in the income calculation schedules specified in the Accounting Ordinance (1339/1997) and in the Government Decree on the information presented in the financial statements of a small undertaking and micro-undertaking under the heading Other operating expenses, decreased with the insurance compensation that may have been received for an interruption in the business. In order to verify this, the application must contain information about any compensation that the insurance company pays to the company during the restriction period, in which case it will be deducted from the remuneration for the restriction period.

In situations where the total amount of compensation received and the insurance compensation paid for interruptions in the business is greater than the amount of other costs for the business during the restriction period, the catering company shall refund the difference to the KEHA-centre without undue delay.

The payment is shown on the recipient's bank statement as a reference to MARA remuneration for restriction of operations www.keha-keskus.fi. The catering company receives a written decision on remuneration for restricting the business, as well as instructions concerning claim for a revised decision on corrective action.

You can only apply for support once. The application is open until 31.8.2020. 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 remuneration 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
- 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) Monthly sales of 14% and 24% of VAT-free VAT rates in January-February 2020 and VAT paid for the same period without deducting purchases, and sales in April-May 2019 and VAT paid for the same period, respectively.
- 11) Sales of VAT-free VAT rates of 14% and 24% (turnover) and the VAT paid at a rate of 14% without deducting purchases .

(decrease in April sales compared to average sales in comparison months) * 15% * 1/30 * 58.

As the comparison months, the period with higher total sales is selected, either January-February 2020 or April-May 2019. The standard coefficient for the days included in the month is 30 and the actual remuneration days 58 cover the restriction period from 4.4-31.5.2020.

- 12) The place and date
- 13) Signature, name clarification and position in the organization

To the application must be attached statements into the effects of the corona situation: appendices showing the deterioration of the company's turnover: general ledger / journal or bank statements for the company's comparative months and April 2020 or other similar report. In addition, an investigation shall be submitted of the insurance compensation received for interruptions in the business.

APPLICATION FOR REMUNERATION AND ASSESSMENT OF THE USE OF THE SUPPORT

- 1) If the company does not belong to the mass payment, you should 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.
- 4) Submission of the application
- 5) Submit the application with attachments via the e-form, or
- 6) by submitting the application by mail to the KEHA-centre's registry.
- 7) 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.
- 8) 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.