



COVID-19



Employment

- Calculate the level of subsidy (NOW) to cover for payment of wages
- Evaluate additional measures mitigating employers costs (pension premiums, allowances, bonus, travel compensation)
- Prepare strategy in case redundancies are inevitable (calculate costs and assess risks)



Commercial

- Understand effects of notifying a force majeure event, comply with notification procedures and any other practical steps required including document evidence
- Be aware of huge differences in jurisdictions also due to governmental emergency measures
- Discuss and renegotiate with counterparties in order to avoid obligation to pay high statutory or contractual interest in case of non-payment or suspension of payment



Litigation & Insurance

- Consider potential insurance coverage (e.g. liability, goods in transit and business interruption)
- No court hearings with only limited exceptions
- Emergency arbitration could be considered as part of an interim solution

C/M/S/

Law . Tax



Corporate/M&A

- Evaluate the impact on pending acquisitions and seek additional protection in transaction documentation regarding the impact of COVID-19 on target company
- Consider a purchase price mechanism taking into account the impact of COVID-19 on the target company
- Carefully consider definition of material adverse change ('MAC') in transaction documentation and check if it covers the consequences of a pandemic



Organisation

Key measures to consider in optimising cash-flow management during the COVID-19 crisis



Restructuring

- Liquidity management is crucial. Prepare weekly liquidity forecasts and compare against actuals
- Stakeholder management: create commitment of shareholders, (secured) creditors and credit insurers
- Involve outside financial and/or legal consultants to validate any restructuring plan
- Evaluate and document the going-concern status of your business on a regular basis to reduce the risk of directors' liability
- Check and optimise legal structure



Banking & Finance

- Consider full drawdown credit lines and working capital measures
- Evaluate security interests and the need for waivers under finance documents
- Evaluate group structure and assess internal and external liabilities
- Develop refinancing strategy



Competition & EU

- Ensure any government funding obtained is in line with state aid rules
- Keep an eye on competition rules in case of collaboration with competitors
- Engage with competition authorities when required



Real Estate

- Consider suspending payment of rent (depends on industry)
- Discuss possibility of temporary revision of service costs based on actual costs
- Reach out to authorities for quick decision/permit/subsidy



Tax

- Consider applying for postponement of all (corporate) income tax, turnover tax (VAT) and payroll taxes
- Consider requesting revision of existing preliminary (corporate) income tax assessments
- Consult the municipality on what other arrangements or subsidies are available