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## TVL Q1 2021 FOR LARGE ENTERPRISES

The text of the Reimbursement Fixed Costs SMEs scheme (hereafter: TVL) first quarter module 2021 for large enterprises was recently published. In a [previous Newsflash](#) (in Dutch) we briefly discussed the introduction of this module and the definition of 'large enterprises' in the context of the TVL. In this Newsflash, we will take a closer look at this and discuss a number of other key facts of the 'large enterprises' module.

### Large Enterprise

The criteria for assessing whether a company is a large enterprise are based on European law. As these are rather difficult to interpret, for the sake of convenience we have provided an overview of the most important criteria in Table 1.

The assessment must include the last three so-called reporting years, i.e. the years to which the last three published financial statements relate. Furthermore, it must be determined whether there are any so-called partner enterprises (briefly put, 25% or more affiliation through voting rights/shareholding) and affiliated enterprises (including majority of voting rights of shareholders). Any partner enterprises and affiliated enterprises, both domestic and foreign, are taken into account when assessing whether it concerns a large enterprise.

Table 1

SIZE	NUMBER OF EMPLOYEES	OR ANNUAL TURNOVER	AND ANNUAL BALANCE SHEET
Large	≥250	> € 50 million	> € 43 million
SME (medium sized and smaller)	< 250	max. of € 50 million	≤ € 43 million

If your enterprise, individually or jointly with partner and linked enterprises, has 250 or more employees (converted to full-time employment) in the above assessment period, it is considered a large enterprise, irrespective of the annual turnover / size of the (consolidated) balance sheet. Where a company has fewer than 250 employees, it may also be a large enterprise if the annual turnover exceeds € 50 million and the consolidated balance sheet exceeds € 43 million. Various combinations are possible whereby an enterprise qualifies as large (or SME).

**Please note: incorrect qualification of the size of the enterprise (SME or large enterprise) may result in loss of the TVL subsidy!**

In case of doubt, we strongly advise you to discuss the assessment of the TVL regime (SME or large enterprise) with your RSM advisor. The relevant legislation can be very complex and it is not rarely the case that a company or a group of companies assumes that it belongs to the SME segment for the purpose of the TVL, while it is actually qualifies as 'large'. If it subsequently turns out that the wrong module has been applied for (SME instead of Large Enterprises), the subsidy must be repaid, while it is then too late to apply for the Large Enterprise TVL subsidy Q1, the application period of which closes on 10 June. In this context, see our explanation below, under 'Application period'.

## Introduction of the group concept

Whereas for the SME module of TVL for the decrease in turnover the applying entity is the focus at a single level, a group concept has been introduced for the 'Large Enterprises' module. In determining whether the decrease in turnover of at least 30% as required for the subsidy has been achieved, the group turnover of large enterprises that form part of a group is considered, whereby intra-group (intercompany) turnover is eliminated. This is a European law group definition, in accordance with the general De Minimis Regulation. Two enterprises within one Member State are considered associated within a group in the following cases:

- one enterprise holds a majority of the voting rights of the shareholders or partners of another enterprise;
- one enterprise has the right to appoint or remove a majority of the members of the administrative, management or supervisory body of another enterprise;
- one enterprise has the right to exercise a dominant influence on another enterprise pursuant to an agreement concluded with that enterprise or to a provision in the articles of association of the latter;
- one enterprise, which is a shareholder or partner of another enterprise, controls alone, pursuant to an agreement concluded with other shareholders or partners of that other enterprise, a majority of shareholders' or partners' voting rights in that enterprise.

Please note that the group for the purpose of the TVL for the (decrease in) turnover comprises only the Dutch companies affiliated within a group based on the general De Minimis Regulation, whereas for the delineation of the applicable regime for the TVL (SME or Large), both Dutch and foreign partner companies and affiliated companies must be included.

## One application per group

If there is a group, only one group entity may submit the TVL application on behalf of the group. In principle, this entity should be registered in the commercial register as at 15 March 2020 and its SBI code (indicating its economic activity) should be representative of the group it forms part of. This means that if the group turnover is generated mainly by a certain activity, the enterprise submitting the application must be registered in the chamber of commerce with respect to that activity.

## Auditor's report

The TVL application of a large enterprise with an (expected) subsidy of € 125,000 or more must be accompanied by an auditor's report both when applying and when determining the amount of the subsidy.

The accountant of the applicant company must provide a statement with the application, applying Standard 4400N, which addresses whether there is a group and, if so, which companies form part of that group at the time of application, during the reference period and during the subsidy period. This audit product also provides information on the state aid already granted to the enterprise or group in order to determine, among else, whether the maximum permitted state aid per (group of) enterprises is exceeded. If the audit product has not been prepared before the close of the TVL Q1 2021 for Large Enterprises desk, this may be sent later. However, the application can only be processed once the RVO (Dutch Enterprise Agency) has received the audit product.

When determining the amount of the subsidy, the accountant product must in any case provide insight into the turnover in the reference and subsidy period, as well as the corresponding decrease in turnover percentage.

## Application period

The application period for the TVL Q1 2021 for Large Enterprises ends on 10 June 2021. Please note that applications must be submitted to the RVO before 17:00 on 10 June 2021 using the portal provided for this purpose. In most cases you must have been assigned e-Identification (e-Herkenning) level 3 (or higher) to be able to access the portal.

## More information?

Would you like more information about TVL for large enterprises? Please contact your trusted RSM advisor or send an email to: [maatregelencorona@rsmnl.nl](mailto:maatregelencorona@rsmnl.nl).