Coup de pouce loan

**Subordinated Loan**

Get a loan from a relative, who will receive a tax benefit in the form of a tax credit (up to 4% per year).

**Type of Product**: subordinated loan  
**Recipient**: by the lender (individual) to the borrower (company)  
**Development Stage**: Creation, Growth, Innovation, Eco-Transition, International, Transmission  
**Minimum Amount**: none  
**Maximum Amount**: EUR 250,000 per borrower, EUR 125,000 per lender

**Who is eligible?**

With the Coup de pouce loan, your relatives can invest in your business and receive a tax benefit.

The following conditions must be met:

- You run an SME or are self-employed.
- You have a place of business in Wallonia.
- The purpose or business activities of your company do not involve, exclusively or principally, investing, making cash investments or financing within the meaning of Article 2(1), and Article (5)(d), (e) and (f) of the Income Tax Code.
- Your business activity does not involve a company holding rights in rem in immovable property that is being effectively or privately used by a natural person holding a mandate or having duties pursuant to Article 32(1)(1) of the Income Tax Code, including their spouse, legal cohabitant or children.

If you represent a legal person:

- It must be either a company or an association or foundation within the meaning of Articles 1:1, 1:2 and 1:3 of the Code of Companies and Associations, which have legal personality.
- It cannot be a company incorporated for the purpose of concluding management or administration contracts, or a company receiving most of its profits from management or administration contracts (this provision does not apply to loans granted to companies with a view to taking over all or part of the shares in an undertaking).
- Your company must not be listed on a stock exchange.

**For the Lender:**

- The lender must be a natural person concluding a loan outside the scope of his/her entrepreneurial or professional activities.
- The lender must be subject to personal income tax or non-resident tax, as levied in Wallonia, in accordance with Articles 5/1(2) and Article 54/2 of the Special Law of 16 January 1989 on the financing of the Communities and Regions and Article 248/2 of the Income Tax Code.
- The lender must not be an employee of the borrower.

All of the conditions are set out in the Decree of 17 December 2020 amending the Decree of 28 April 2016 on the Coup de Pouce loan.
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What is it for?
The loan must be used exclusively for the purpose of financing the activities of the recipient company.

Duration
4, 6, 8 or 10 years

Interest rate
- minimum: 0.75%
- maximum: 1.5% (legal rate in force in 2022)

Terms

TAX CREDIT FOR THE LENDER
4 % in the first 4 tax years, 2.5 % in subsequent years.

REPAYMENT
Several options are available:
- repayment of the loan in one instalment on the maturity date.
- repayment of the loan in quarterly, half-yearly or annual instalments over the expected duration of the loan.

If necessary, the loan may be repaid early (only for loans concluded after 1 January 2021).

SUBORDINATED RANK
The loan is subordinated to any existing or future debts of the company.

PUBLIC GUARANTEE
In the event of the initiation of bankruptcy proceedings, judicial reorganisation or the voluntary or compulsory winding-up or liquidation of the borrower, and to the extent that the borrower cannot ultimately repay all or part of the loan, the lender will be entitled to a single tax credit amounting to 30 % of the capital that has been definitively lost.

SOWALFIN Joint Loan
For the purposes of supporting economic recovery, SOWALFIN can offer a joint loan combined with the Coup de Pouce loan to help companies build or strengthen their working capital following the COVID-19 epidemic. For more information on this topic, please refer to the factsheet ‘Joint loan combined with the Coup de Pouce loan’.

How to proceed?
The lender must apply to register the loan within 3 months of concluding the loan (date of concluding the loan = date of transfer of the funds), and no later than 31 December 2022.

Information
www.sowalfin.be
1890 or 04 237 07 70

For more information, please contact us at info@pretcoupdepouce.be