

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.

- If the borrower is a self-employed natural person, the lender must not be his/her spouse or legal cohabitant.
- If the borrower is a legal person, the lender or the lender's spouse or legal cohabitant must not be, directly or indirectly through another legal person controlled by the lender within the meaning of Article 1:14 of the Companies and Associations Code, a founder, member, partner or shareholder of that legal person, or appointed or acting as a member of the body responsible for day-to-day administration or management, liquidator, or a holder of a similar mandate within that legal person, or acting as a permanent representative of another legal person itself appointed or acting as a member of the body responsible for the day-to-day administration or management of a liquidator or a similar function.
- The lender must not be the borrowing party in another Coup de Pouce loan.

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.

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.

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

Information

www.sowalfin.be
1890 or 04 237 07 70