

Protective shield for meeting industry

The meeting industry is one of the main victims of the COVID-19 crisis. As an incentive and to secure the planning of future events, the Austrian government has set up a **EUR 300 million protective shield for events** – a measure that the European Commission has now approved. With this grant, the Austrian government is making it possible to plan events through the end of 2022.

Starting January 18, 2021, applications can be submitted via the Austrian Hotel and Tourism Bank (ÖHT). The first eligible event date is March 1, 2021. Applications can be submitted through June 15, 2021.

- A grant will compensate organizers for the financial disadvantage resulting from an event being canceled or significantly restricted due to COVID-19.
- On the basis of the detailed event planning, organizers will be awarded a grant for the financial disadvantage resulting from an event being canceled or significantly restricted due to COVID-19.
- The payout amount of the grant is the difference between the non-cancelable costs and all revenue generated, insurance benefits, and other grants.
- Eligible costs are non-cancelable expenses for third-party services in the value chain (e.g. suppliers, technology, catering, artists, bar, service, florists, venue, cancellation costs, advertising cost subsidies) and personnel costs directly related to planning and holding the event.
- **Within the current upper limit of EUR 1 million, the grant covers 90% of eligible costs.**
- Grants received based on the *de minimis* Regulation or Section 3.1 of the Temporary Framework (100-% guarantee for interim financing, revenue compensation, fixed cost grant of EUR 800,000) are offset.

FAQs for protective shield for events

1. Objective

What is the objective of the grant?

- The objective of the grant is to make it possible to plan and hold events as of March 1, 2021 despite the COVID-19 crisis.

2. Object of the grant

What does the grant cover?

- The grant provides compensation for the financial disadvantage resulting from an event being canceled or significantly restricted due to COVID-19. It covers maximally 90% of the total eligible event costs.

What is not covered by the grant?

- The grant does not cover any financial disadvantage that occurred prior to submitting the grant application, i.e. especially events that were canceled before the grant application was submitted are not eligible.

3. Personal requirements

Who can apply for a grant?

- All organizers, irrespective of their legal form, registered office, and size, can apply for a grant. Organizers are those who bear the economic risk.
- Under certain conditions, event agencies and event planners can apply for the grant as organizers.

Can organizers from outside Austria also apply for a grant?

- Yes. The prerequisite for the grant is that the event is held in Austria.

Who cannot apply for a grant?

- Federal, state, and local governments
- Companies that Statistics Austria classifies as “general government units” with the code S.13 in accordance with the European System of Accounts (ESA 2010). Companies or parts of companies that compete with other companies operating in the market are excluded.
- Companies in fishing and aquaculture, in primary production of agricultural products, in the coal industry, shipbuilding, steel industry, and the synthetic fiber industry.

Can startups also apply for a grant?

- Yes, provided that the personal and technical requirements are met.

Is the grant also for entrepreneurs, freelance artists, and associations?

- Yes, provided that the personal and technical requirements are met.

4. Factual requirements

Does the event venue have to be in Austria?

- Yes, the event venue must be in Austria irrespective of where the organizer is located.

What constitutes an “event” for the purposes of this guideline?

- For the purposes of this guideline, an event is defined as a planned gathering or undertaking for the entertainment, amusement, physical and mental exercise, and edification of the participants. This includes business-to-business and business-to-consumer events, congresses, trade fairs, casual markets, cultural events, and sporting events.
- Touring events and types of events that are held regularly at the same venue (event cycle, theater season, program cycle, etc.) are to be treated as a single event. If such an event has already begun, a grant is only possible if the financial disadvantage has not yet occurred.

What is a touring event?

- Touring events are all performances and undertakings that have a similar event program, use similar event facilities, and are set up to be performed at different times at different venues.

What types of events are not eligible for a grant?

- Team sports events that take place in national and international leagues and championships
- Political events
- School and school-related events
- Private events held without the help of event agencies or event planners.

Is it possible to apply for a grant for events that were already fully planned before these guidelines came into force?

- Yes, a grant is possible if the event is recalculated based on the specifications in this guideline and providing the other requirements of this guideline are met.

Can an event be held at multiple venues?

- Yes. It is possible to divide the participants among several venues, but these must be physically separate venues. It is not enough to simply divide a venue into sections.

Do upper limits on the number of participants need to be considered when planning the event?

- Yes, the maximum number of participants specified in the guideline may not be exceeded when planning the event. It is also the basis for the implementation and financing concept.
- There is a different regulation for trade fairs, public fairs, and casual markets depending on the legal situation at the time the grant application was submitted.

What is the maximum number of participants for multi-day events where different days have a different maximum number of participants?

- The highest maximum number of participants applies to the entire event.

Does the event have to generate revenue?

- No, but special eligibility requirements apply in this case.
- Gifts and donations are not considered revenue.

Does the event have to be canceled for the grant to be paid out or can the event simply be restricted?

- Events that generate revenue will be funded even if they are held on a restricted basis. Events that do not generate revenue can only be funded in the event of cancellation.

What are the conditions for receiving a grant payout?

- The cancellation or restricted implementation is clearly related to COVID-19.
- A significant number of the actors, participants, speakers, or select predefined persons who are clearly indispensable for holding the event are affected by COVID-19-related restrictions regarding their arrival, departure, or stay.
 - A significant number of the actors, participants, or speakers have a COVID-19 infection, are in mandatory segregation or quarantine, or are affected by (nighttime) curfews.
 - Legislative or regulatory action that significantly limits the number of participants allowed as compared to the number of participants specified in the grant offer.
- “Significant” means a reduction of more than 30%, with actors, participants, and speakers each to be considered individually; eligibility occurs as soon as one of these groups of people experiences the reduction. Significant restriction of the maximum number of participants means a reduction of 30%.

When will a grant not be paid out?

- A grant will not be paid out when economic planning mistakes are made or when the reasons were subjective.

Can I apply for grants for several events?

- Yes, provided that the organizer has not yet exhausted the EU state aid legal framework.

5. Eligible and ineligible costs

What costs are eligible

- All expenses in the value chain for third-party services that are related to planning and holding the event, e.g. suppliers, event technology service providers, organizing and monitoring services, translation and interpreting services, tent rental, technology, hotels, catering, artists, bar, service, florists, venue, ticketing and cancellation costs, marketing costs, agencies. This includes partial payments that were agreed at the time of the conclusion of the contract and that are in reasonable proportion to the third party’s frustrated expenses.
- The organizer’s own personnel costs that were incurred exclusively when preparing and holding the event.

What costs are ineligible

- Value added tax for input tax deduction
- Investment costs, unless they are low-value assets
- Personnel costs for ongoing operations
- Material costs for ongoing operations
- Costs from low-value invoices under EUR 100.00 (net)

6. Type and amount of grant

How is the grant structured?

- The grant is a non-refundable grant based on a private legal agreement. It is only paid out if an event is canceled or significantly restricted due to COVID-19.

How is the grant awarded?

- Grants are awarded chronologically in the order in which complete, eligible grant applications are received by the processing agency ÖHT up until all available funds (currently EUR 300 million) have been allocated.

What is the amount of the grant?

- The grant is based on the *de minimis* Regulation (upper limit of EUR 200,000.00) and Section 3.1 of the Temporary Framework (upper limit of EUR 800,000.00). The amount of the grant depends on the *de minimis* grants that have already been paid out or bindingly committed and on the COVID-19 relief measures granted under the two legal grounds mentioned above.
- Within the stated upper limit (currently EUR 1 million), the grant covers 90% of the eligible costs.

What is the amount of the grant payout?

- The grant is only paid out if an event is canceled or significantly restricted due to COVID-19. If the event is held as planned, the grant will not be paid out.
- The amount of the grant payout is limited by the amount of the grant offer and by the amount of the actual financial disadvantage.
- If the event is canceled, the financial disadvantage to be compensated is calculated from the difference between the non-cancelable ineligible (or no longer eligible) costs and any reasonable down payments, the revenue generated despite cancellation, any insurance benefits and other grants.

- If the event is significantly restricted, the financial disadvantage to be compensated is calculated from the difference between the non-cancelable ineligible (or no longer eligible) costs and any reasonable down payments, the revenue generated despite cancellation, any insurance benefits and other grants.

When can I request a payout?

- You can only request a payout if an event is canceled or significantly restricted due to COVID-19. For events without revenue, a payout is only possible if the event is canceled.
- Payout must be requested from ÖHT within eight weeks after the (planned) event date.
- **Important:** The payout is made on the basis of paid invoices and the organizer's own personnel costs as confirmed by the tax advisor, auditor, or balance sheet accountant.
- No payout will be made if economic planning mistakes were made, if there were subjective reasons for the cancellation or restrictions, or if an event was reasonably postponed.

7. Grant restrictions due to EU state aid law

What is the legal basis in EU state aid law for the grant?

- The grant is based on the *de minimis* Regulation (upper limit of EUR 200,000.00) and Section 3.1 of the Temporary Framework (upper limit of EUR 800,000.00).

When is the grant awarded on the basis of the Temporary Framework and when on the basis of the *de minimis* Regulation?

- First the *de minimis* Regulation is used and then the Temporary Framework.

As specified by the European Commission, what grants received to date reduce the amount of the maximum grant award?

- All grants already received on the basis of the *de minimis* Regulation or Section 3.1 of the Temporary Framework must be offset. The following relief measures are based on Section 3.1 of the Temporary Framework: 100-% guarantee for interim financing, revenue compensation, fixed cost grant of EUR 800,000.00.

8. Grant application

How do I apply for a grant?

- Grant applications must be submitted via the ÖHT customer portal on the www.oeht.at website.

Who can submit an application?

- The application can be submitted by the eligible applicant or by a person authorized by the applicant.

When can ÖHT start processing the application?

- ÖHT can only start processing the application once all required documents have been uploaded to the customer portal.

How can I verify that the application has been successfully submitted?

- You will receive an e-mail confirmation when you submit the application in the ÖHT portal. If your application is refused due to missing information, you will receive an e-mail asking you to complete the application. You will also receive an e-mail when ÖHT starts processing the application.

Can I submit an application when it is fairly clear that the event will be canceled or significantly restricted?

- No, applications must be submitted before the planned event date. In general, only costs incurred after the application has been submitted can be considered for the grant. This does not apply to advance payments for long-term advance booking of venues.

Can I submit an application after an event has been canceled or significantly restricted?

- No, applications must be submitted before the planned event date. In general, only costs incurred after the application has been submitted can be considered for the grant. This does not apply to advance payments for long-term advance booking of venues.

9. Review and decision

What is the application process from submission to awarding the grant?

- ÖHT will review the application as soon as it is complete and uploaded. If it is approved, a grant offer will be issued. The offer must be legally signed and returned to ÖHT within four weeks or before the event date, whichever is earlier. Otherwise, the offer is considered to be withdrawn. If the application is not approved, you will receive a letter stating the reason.

10. Deadlines

When is it possible to apply for a grant?

- Applications can be submitted starting January 18, 2021.

What is the deadline for applying for a grant?

- Applications can be submitted through June 15, 2021.

When does the event have to be held?

- The event has to be held between March 1, 2021 and December 31, 2022.

11. Other

What is a financial disadvantage for purposes of this guideline?

- The financial disadvantage is the organizer's loss (negative balance of expenses minus revenue) resulting from an event being canceled or significantly restricted.

To what extent does the grant recipient have a duty to mitigate damages?

- The grant recipient has to take reasonable measures to reduce the financial disadvantage. The relevant point in time is when the measure was taken or could have been taken (ex ante view). This includes contract negotiations with third parties and the examination of a reasonable postponement.
- The dissolution of a contractual relationship in order to reduce a financial disadvantage is only reasonable if this can be done without the risk of a legal dispute with an uncertain outcome. The dissolution of contracts necessary for the event is not reasonable.
- For reasons of verification, all documents must be kept and presented upon request.

When is it reasonable to postpone the event?

- It is only reasonable to postpone the event if the purpose of the event can be preserved and any additional expenses resulting from the postponement do not exceed 10% of the originally planned costs of the event.
- Cancellation of an annual event and holding it the following year is a cancellation and therefore not a reasonable postponement.

If you have any additional questions please send an email to schutzschirm@oeht.at.

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