



Deloitte.



EVENT
CONFEDERATION

Support of the Belgian event sector

Status update – Impact summer 2021

Event Confederation

6 September 2021

Executive summary

Since March 2020, the event sector is heavily affected by the **security and social distancing measures** imposed by the governments to respond to COVID-19. The Event Confederation appreciates the effort made by the different governments to support the sector. The measures and policies implemented allowed most of our organizations to overcome the first waves of the lockdown period.

Nevertheless, with the second and third coronavirus wave, **the sector is still facing a slow recovery**. Due to a potential fourth wave end this year and the uncertain evolution of the virus and its variants, the event sector will **not be able to fully recover and regain activities before the beginning of 2022**. The sector is confronted with a drastic drop in revenue in 2020 and 2021, more than half of the companies surveyed still indicate expected revenue losses of more than 50% in 2021 compared to pre-COVID-19 levels in 2019. Even though the sector is looking for innovative options to continue organize events, the maximum attendance measure and required and testing capacity makes it economically impossible to operate at full force. Economic viability will only be guaranteed once events can be hold again near to full capacity.

In this context, **the extension of support measures are required** to help the sector survive this pandemic. The extension of the support measures are centered around **workforce flexibility, solutions for cashflow shortage and incentivization** for organizing events. After a sector wide questionnaire^{1,2} and expert interviews³ with the industry captains, a total of **6 most impactful support measures for the event sector were identified**.

1. Temporary unemployment due to COVID-19 (TWOC)
2. Vlaams beschermingsmechanisme
3. Globalisatiemechanisme
4. VAT reduction (6%) for catering services (and event supplies⁵)
5. 100% deductibility of reception costs
6. Overbruggingsrecht

These **6 measures have been proven to be impactful** during the past COVID-19 periods and allowed the majority of the event organizations to overcome the first 3 coronavirus waves, however **without a clear perspective for the remainder of 2021, the sector is asking for an extension or re-introduction of these measures until at least the end of 2021 or longer would there be a 4th wave, together with a revision of its conditions**.

The extensions of current support measures are the minimum needed to assure that event companies⁴ that were financially stable before COVID-19 will be able to **continue their activities in the future** and keep on **contributing largely to the state's economic and social welfare**.

¹ Scope of questionnaire: 52 active companies in the event sector (>50% of revenue), excluding public institutions (e.g. city of Antwerp), heavily subsidized organisations and large companies that are active in the event sector, but not as their core activity (e.g. Randstad); companies

² Active in the following subsectors: organizers, venues, technical suppliers, non technical suppliers, catering, artists & freelancers, marketing & communication agencies and staff companies.

³ 5 different expert interviews have taken place with captains of the industry, ensuring a good balance between leisure and corporate event representatives

⁴ Companies eligible for state aid could be identified by the drastic e.g. drop in revenue of at least 60% compared to the same period last year

⁵ Event supplies are currently still subject to 21% VAT, as such it is the request of the event confederation that event supplies are subject to equal reduced VAT rates as catering services

Content

- 0 Project introduction
- 1 Impact assessment per subsector
- 2 List of measures
- 3 Survey and interview results
- 4 Selection of measures and conditions
- 5 Annex



0 | Project introduction

Context & objectives of this paper

Context

- Beginning of March, the coronavirus has led the government to take **heavy security and sanitary measures** with far-reaching consequences for the event industry
- The companies involved immediately took responsibility and **all events were cancelled**. 80,000 people and their families were also directly affected¹
- The **complexity and unfamiliarity** of our sector and its value chain is a reality
- To this date, three **coronavirus waves have passed** and the new security and sanitary measures leaves the sector under even greater uncertainties
- Some players have been able to restart (part of) their activities for a limited audience, however other (larger) players **have not been able to relaunch their activities due to restrictions** (e.g. only indoor events) and are looking for financial support measures from the government to **compensate part of their losses**

Objective

The objective of the project is twofold

1. **Identify the companies and subsectors that have been most heavily impacted during 2021**
2. **Identify and prioritize support measures from the government most relevant for the heaviest impacted companies in the event sector**

Approach: two workstreams serving as a baseline for negotiation support

WORKSTREAM 1

Identification of heavily impacted subsectors

Support the Federations to make an impact assessment of COVID-19 on the sector, one year after the initial study

- 1 Map event sector activities
- 2 Define state of the sector
- 3 Perform impact assessment
- 4 Identify most severely impacted subsectors



WORKSTREAM 2

Selection of most relevant support measures

Provide a solid baseline with the most relevant measures and conditions, which serve as further negotiate support for the sector

- 1 List support measures at federal & regional level
- 2 Assess impact of support measures through survey
- 3 Define most relevant measures & conditions through deep-dive interviews
- 4 Develop report



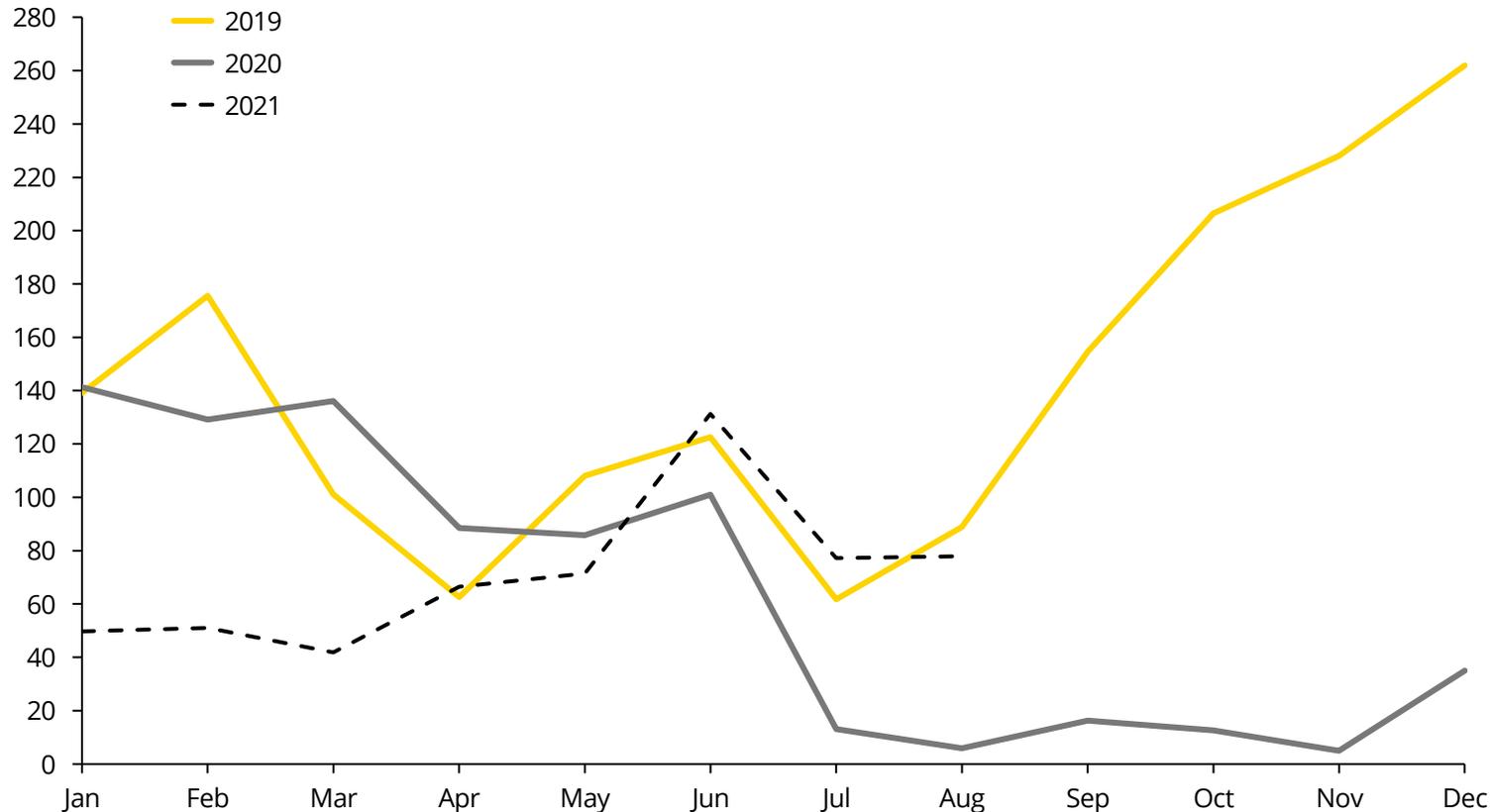
1 | Impact assessment per subsector

1. IMPACT ASSESSMENT PER SUBSECTOR

The event sector is restarting at a slow pace based on the number of tickets sold in advance in 2020 and 2021...

Evolution of number of ticket sales (Tele Ticket Service) [2019-2021]

In thousand number of sold tickets



KEY INSIGHTS

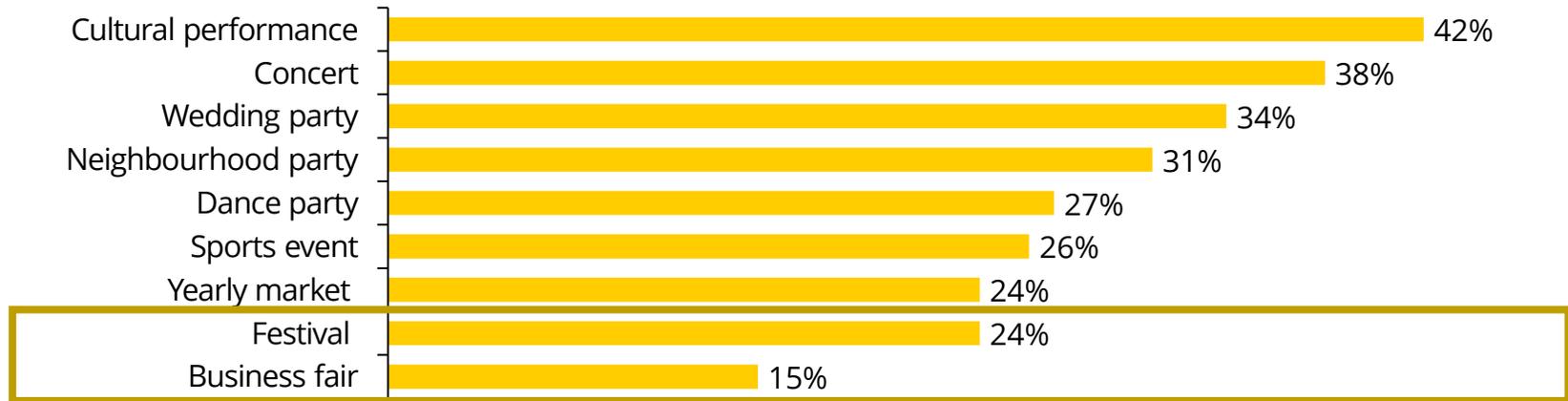
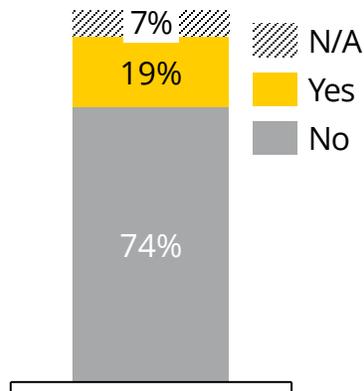
- Ticket sales are a good proxy to describe the relaunch pace of the event industry, since **tickets are the base of any event launch**
- The ticket sales clearly show **the seasonal character** of the event industry
 - Ticket sales for larger events are sold on average 9 months to 1 year in advance
 - Tickets for smaller event are sold on average 6 months in advance until the actual event date
 - In other words: ticket sales in Q1 are defining the actual event schedule in Q3 for small events, for large events Q1 is defining the schedule of Q4 of the same year up to Q1 of the year after
 - Dips in July and April 2019 are traditional in the sector because of lower demand and supply (cfr. holiday period) and occur every year
- During the first 5 months of 2021, a low number of tickets was sold, meaning that **the number of events occurring in Q4 of 2021 and Q1 of 2022 will be rather limited, far below 2019 levels**
- July 2021 was promising in ticket sales, however there was zero growth in August 2021, **proving the uncertain future** in the event sector

1. IMPACT ASSESSMENT PER SUBSECTOR

The willingness to attend larger events is more favorable towards smaller and private events compared to larger scaled and international events such as business fairs and corporate events

When smaller events were allowed last year, did you visit one or more event in 2020?

If events can be re-organized again and if they meet the required security measures, which events would you like to attend? (% in top 3)



KEY INSIGHTS

- Last year (2020), when events with restrictions were briefly allowed, only 19% attended one or more events
- **Larger events** with an **international character** such as corporate events, business fairs & festivals are **not the first priority** for the visitors
 - Employers are responsible for sending employees to fairs/congresses, hence the business risk is still considered high
- Whereas local **events on a smaller scale** (cultural performances, wedding parties, neighbourhood parties) are **more popular**

1. IMPACT ASSESSMENT PER SUBSECTOR

The event sector can be fragmented across player categories (i.e. sub-sectors), depending on their type of activity

 Organizers	<ul style="list-style-type: none"> • Event organizers: fair organizers, festival organizers, promoters, corporate parties, conventions, seminars, sporting events, product launches, field activities, fairs, teamwork promotion activities, city games, weddings, fashion events, freelancer, etc.
 Locations / venues	<ul style="list-style-type: none"> • Rental of venues: outdoor and indoor (concert halls, exhibition halls, etc.)
 Catering	<ul style="list-style-type: none"> • Collective catering services (for artists, public, crew)
 Technical suppliers	<ul style="list-style-type: none"> • Technical suppliers: stage, audiovisual equipment (light, audio, video), etc.
 Artists & freelancers	<ul style="list-style-type: none"> • Freelancers: technicians, event organizers, hostesses, presenters, photographers, communication professionals, models, etc. • Artists and show providers: groups, singers, dancers, performers, artists, etc.
 Non tech. suppliers	<ul style="list-style-type: none"> • Renters: tents, stands, furniture, decoration, temporary sanitary facilities, flowers and plants, transport, etc.
 Marketing & comm' agencies	<ul style="list-style-type: none"> • Event promotion and communication (website development, press, graphic designers, etc.)
 Staff companies	<ul style="list-style-type: none"> • Temporary staff, security, cleaning, flooring, first aid services, etc.

1. IMPACT ASSESSMENT PER SUBSECTOR

To identify the most impacted sub-sectors, 3 key assumptions were made

Subsectors most **heavily impacted** by COVID-19 pandemic during 2021 are characterised by...

What?	1/ High capital intensity	2/ Large share in total event sector	3/ Low level of re-launched activity <i>resulting in high level of estimated turnover loss</i>
Why?	 <p>Companies in subsectors with large investments in assets (eg. Technical equipment) could not gain profit of these investments and experienced a loss in value of these assets</p>	 <p>The larger the share of a subsector in the total event sector, the higher its impact within the subsector and on other subsectors. Subcontracting is an essential part of the event industry</p>	 <p>Companies in subsectors that have not been able to regain activity because of restrictions (eg. only outdoor events, limited capacity) are more heavily impacted than players that cater to smaller, allowed events (weddings, private parties)</p>
How?	<p>Proxy metric: <i>Depreciation / Turnover</i></p>	<p>Proxy metric: <i>Turnover subsector / Turnover total event sector</i></p>	<p>Proxy metric: Estimated TO loss <i>1- (Turnover 2021 / Turnover 2019)</i> Turnover loss: (L) <25% (M) 25-50% (H) >50% </p>

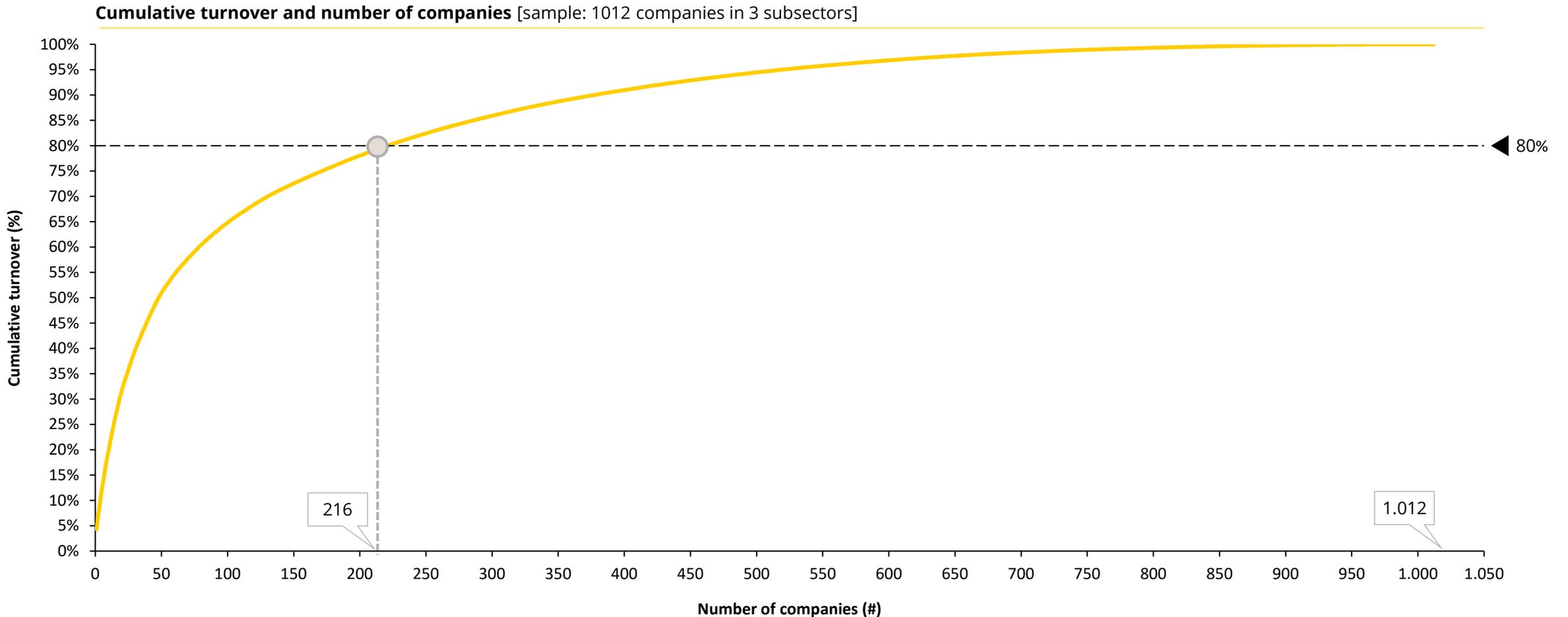
1. IMPACT ASSESSMENT PER SUBSECTOR

The subsectors that were most heavily impacted based on the 3 key assumptions are: organizers, venues and technical suppliers

	Capital intensity (depreciation/TO)	Share in event sector (TO subsector / TO total event)	Level of estimated TO loss 1-(TO 2021 / TO 2019)	Overall impact assessment	Examples
  Organizers	3,2%	15%	>50% (small events only)	Heavy	Corporate event org., Easyfairs
  Locations / venues	9,8%	16%	>50% (outdoor events mostly)	Heavy	Brussels Expo, Sportpaleis
 Catering	4,3%	8%	<25% (small events restarted, reopening of offices)	Moderate	ISS catering, Belgocatering
  Technical suppliers	8,9%	12%	>50% (small events only, no big screens with WK etc.)	Heavy	Barco, PRG, Stageco
 Artists & freelancers	5,3%	1%	25-50% (small events restarted)	Moderate	N/A
 Non tech. suppliers	5,8%	16%	25-50% (small events restarted, diversified portfolio)	Moderate	Veldeman Tenten, 3PLs
 Marketing & comm' agencies	1,9%	6%	<25% (social media small events)	Light	Butik, V.O. communication
 Staff companies	2,4%	3%	<25% (horeca reopening, high demand for security staff)	Light	G4S, Seris
Other	2,2%	7%	N/A	N/A	N/A
Not classified	9,1%	16%	N/A	N/A	N/A

1. IMPACT ASSESSMENT PER SUBSECTOR

23% of all companies¹ represent 80% of the total turnover. These players, often catering to larger events take the hardest hit due to their capital intensity, which directly affects the long tail of smaller suppliers



Sources: Federation input of Febelux, ACC, BESA; Belfirst; Deloitte analysis, ¹Companies within the three subsectors (organizers, technical suppliers and venues)



2 | List of measures

2. LIST OF MEASURES

List of financial, fiscal and human capital measures taken in 2020 and 2021 by the government which have been classified as useful by the event sector

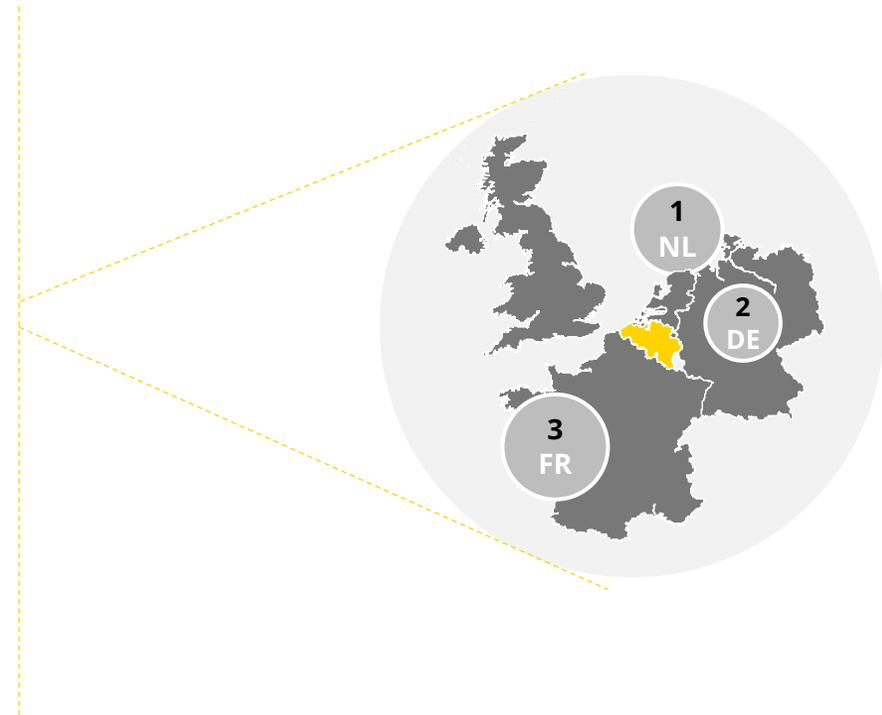
#	Type	Measure	Political level	Goal
1	Financial	Vlaams beschermingsmechanisme 10	Regional	Compensation of fixed costs (max 10% of turnover)
2	Financial	Globalisatiemechanisme	Regional	Compensation for turnover loss (max. 10% of turnover)
3	Fiscal/Tax	Lower VAT on horeca & catering services	Federal	Accelerate recovery of cash position
4	Fiscal/Tax	Wederopbouwreserve	Federal	Boost relaunch, Accelerate recovery of cash position
5	Fiscal/Tax	Temporary exemption of property tax	Regional	Accelerate recovery of cash position
6	Fiscal/Tax	(Automatic) delay of payment of taxes	Federal	Accelerate recovery of cash position
7	Fiscal/Tax	Loss carry back	Federal	Accelerate recovery of cash position,
8	Fiscal/Tax	Investment reduction & 100% deductibility of reception costs	Federal	Boost relaunch
9	Fiscal/Tax	Tax shelter	Federal	Accelerate recovery of cash position
10	Human capital	Temporary unemployment (by force majeure - overmacht)	Federal	Allow resource flexibility
11	Financial	Overbruggingsrecht	Federal	Compensate self-employed for loss during inactivity

2. LIST OF MEASURES

Neighbouring countries have taken and are still taking important measures that help the event industry during the ongoing pandemic

Some examples of steps taken by neighbouring countries:

<div style="background-color: #cccccc; border-radius: 50%; width: 60px; height: 60px; display: flex; align-items: center; justify-content: center; margin: 0 auto;"> <div style="text-align: center;"> <p>1</p> <p>NL</p> </div> </div>	<ul style="list-style-type: none"> › Aanvullende Tegemoetkoming Evenementen: full compensation for cancelled events (preparation cost) from July to December 2021, additional government loan at 2% interest rate for any other exceeding costs › NOW regeling was the Dutch equivalent of TWOC, however it covered up to 85% of wage costs and allows workforce to participate in other activities
<div style="background-color: #808080; border-radius: 50%; width: 60px; height: 60px; display: flex; align-items: center; justify-content: center; margin: 0 auto;"> <div style="text-align: center;"> <p>2</p> <p>DE</p> </div> </div>	<ul style="list-style-type: none"> › Financial aid of 2.5 B EUR to support specific re-launch of (cultural) events (<i>date: May 2021</i>) › Überbrückungshilfe (federal support to cover fixed costs for companies with minimal 30% turnover plus relaunch bonus) › Kurzarbeit (equivalent of temporary unemployment until end of 2021, compensates max. 67% of net wage)
<div style="background-color: #333333; border-radius: 50%; width: 60px; height: 60px; display: flex; align-items: center; justify-content: center; margin: 0 auto;"> <div style="text-align: center;"> <p>3</p> <p>FR</p> </div> </div>	<ul style="list-style-type: none"> › Chômage partiel – activité partiel (equivalent of temporary unemployment) › Fonds de solidarité: companies with minimal 20% turnover loss receive compensation up to 20% of their reference turnover (max. 200K EUR)





3 | Survey and interview results

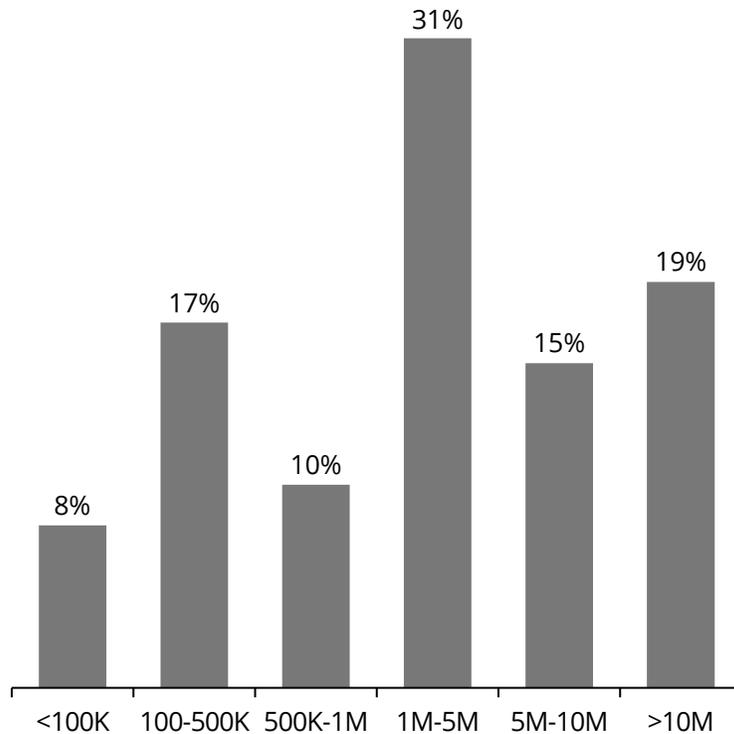
3. SURVEY & INTERVIEW RESULTS

By launching a survey amongst the members of the confederation, we were able to collect responses from different players (in subsector and size) across the event sector...

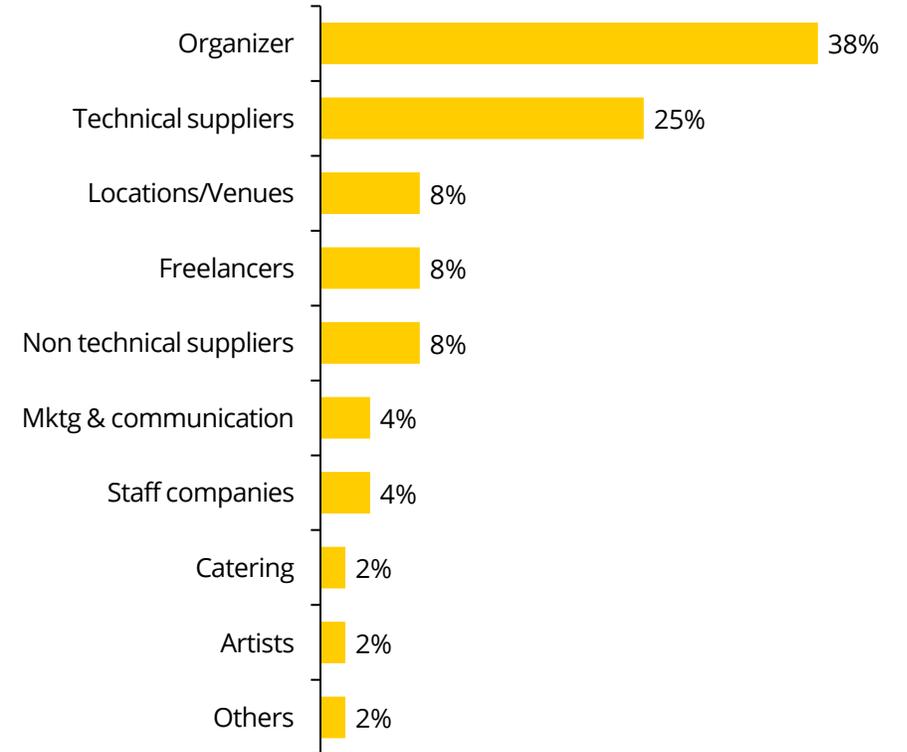
Total number of survey responses



Split in size (% of responses)



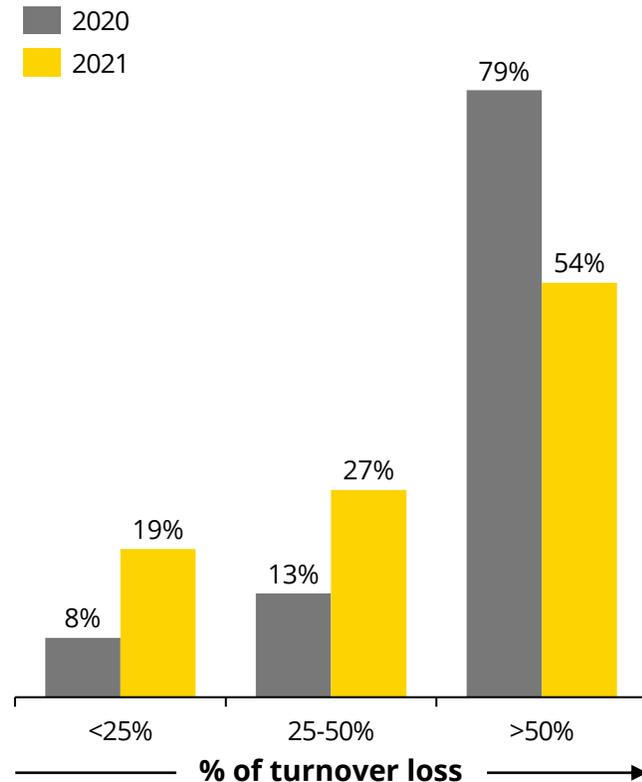
Split in subsectors (% of responses)



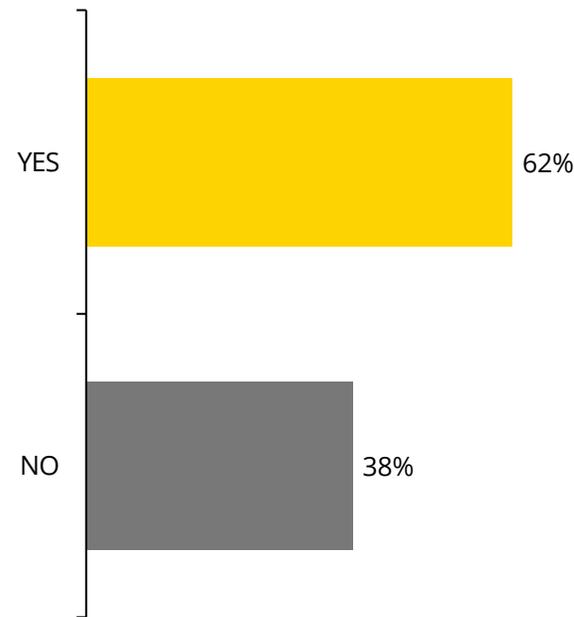
3. SURVEY & INTERVIEW RESULTS

More than half of the companies in the event sector is still expecting a turnover loss of more than 50% in 2021, compared to 2019. Additionally, the majority (62%) has not been able to make use of investments made in 2019

Turnover loss compared to 2019
(% of responses)



Have you made significant¹ investments in assets in 2019 that you could not benefit from in 2020 and 2021? (% of responses)



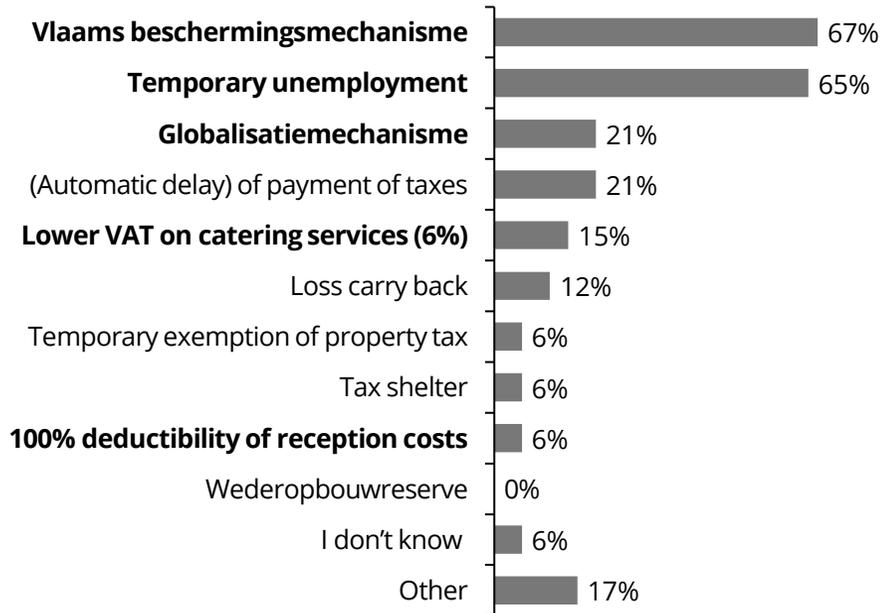
KEY INSIGHTS

- **More than half of the companies** expect to **still incur 50% turnover loss in 2021** compared to 2019
- Overall, there are **signs of recovery** as the group of >50% turnover loss in 2021 is smaller than in 2020, this is mainly due to the **support measures**
- **Additionally 62% of companies declares to have made significant investments in assets in 2019** that they could not benefit from in 2020 and 2021. These assets have incurred a loss in value during the period of non-use
- Especially **venues** indicate that even though their property has not been used during the ban of events, they **were still subject to property taxes**
- Lastly, the **event sector** is innovative and is **reinventing itself** to successfully relaunch, this innovation process requires huge investments in R&D. This is a risk since there is **no certainty about monetizing** these innovation initiatives in the near future

3. SURVEY & INTERVIEW RESULTS

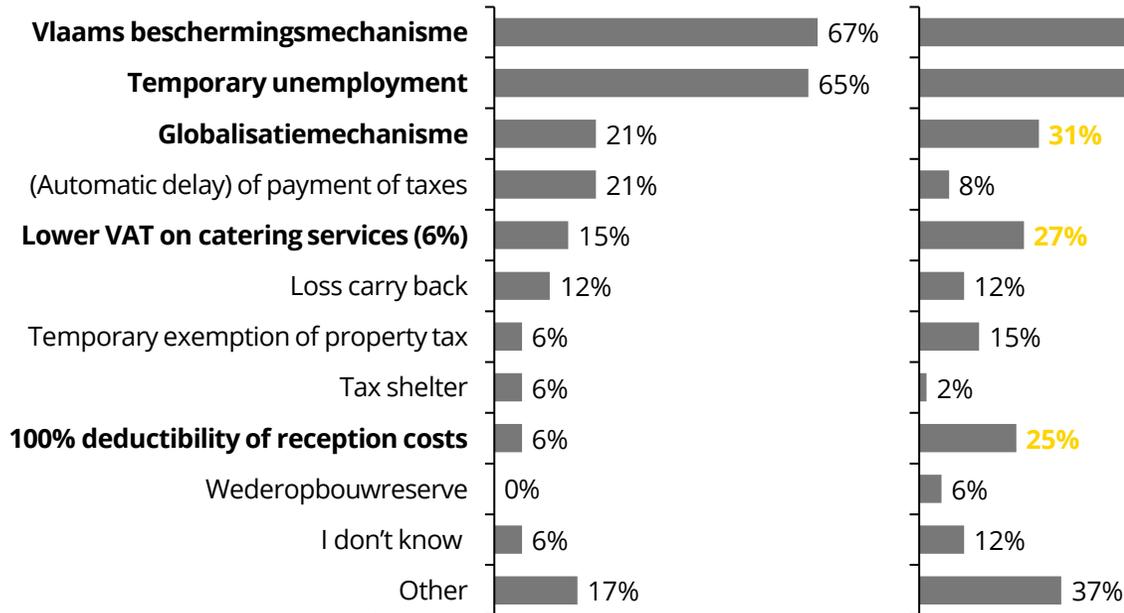
The most received support measures are also considered the most impactful, however two out of the top 3 are regional measures only valid in Flanders, leaving Brussels and Wallonia without a proper equivalent

Which subsidies have you received in 2020 and 2021? (% of all survey respondents¹)



- Cultuur coronapremie (5,5%)
- Overbruggingsrecht (5,5%)
- None (2%)
- Delay of payment of loans (2%)
- Early retirement (2%)

Which measures would have the biggest impact on your business in the future? (% in top 3²)



- More flexibility in depreciation (12%)
- **Overbruggingsrecht (10,5%)**
- Lower VAT on ticketing (7,5%)
- Lower VAT on event supplies (4,5%)
- PC for the event sector (2,5%)

KEY INSIGHTS

- The two most common received support measures across the whole sector in 2020 and 2021 were 'Vlaams beschermingsmechanisme' and 'temporary unemployment'
- The support measures considered most impactful are those with a **short term effect on cash injection and work flexibility**
- These following measures are the first priority to overcome the immediate impact of the consecutive corona waves
 1. Temporary unemployment
 2. Vlaams beschermingsmechanisme,
 3. Globalisatiemechanisme
 4. Lower VAT on catering services
 5. 100% deductibility reception costs
 6. Overbruggingsrecht (specifically for freelancers)

REMARKS

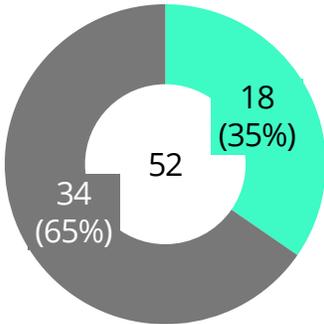
- However, the **conditions** that companies require to make use of these support **measures are not always realistic**, (for example: companies with high asset intensity do not always have a sufficient number of FTEs to meet the criteria)
- Additionally, **companies in Brussels and Wallonia** declared that they **have not received equal support measures** compared to Flemish counterparts



A more detailed description of these 6 support measures and corresponding conditions can be found in the next section

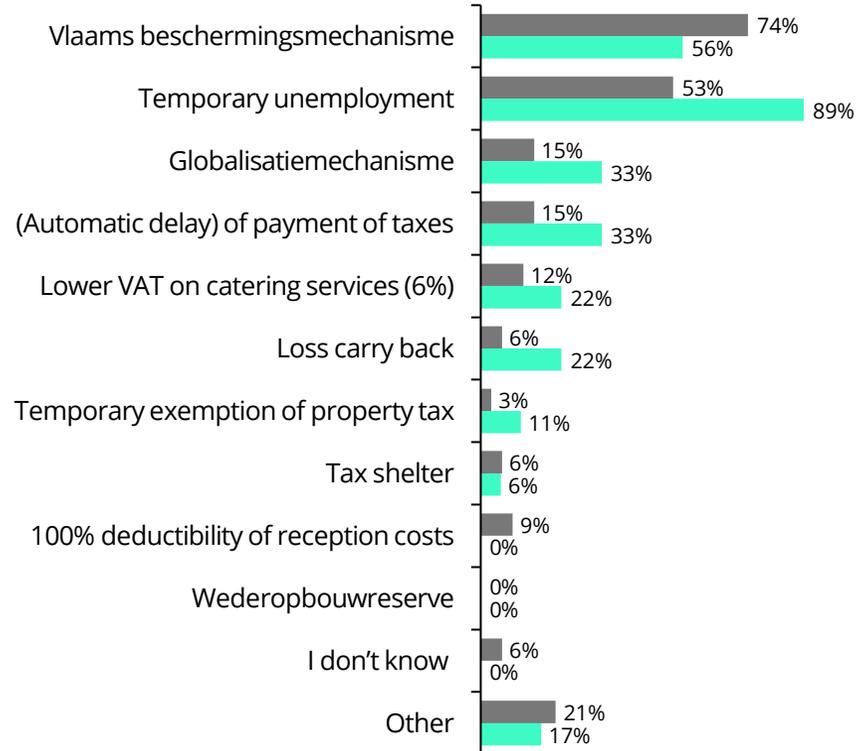
3. SURVEY & INTERVIEW RESULTS

The top 5 impact measures for both smaller & medium sized companies are the same, only larger companies value the impact of temporary unemployment & globalisatiemechanisme more

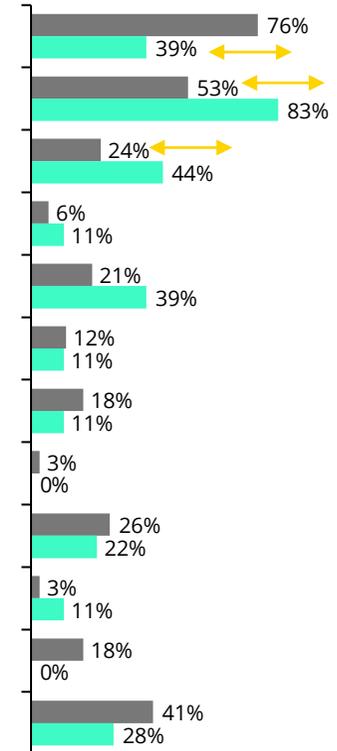


■ Large companies (>5M EUR)
 ■ Small & Medium sized companies (<5 M EUR)

Which subsidies have you received in 2020 and 2021?
 (% of all survey respondents¹)



Which measures would have the biggest impact on your business in the future? (% in top 3²)



Source: Event Confederation survey – Sector support; Note (1) sample size is 52 respondents, graph should be interpreted as “X% of survey respondents have received this subsidy in the past”; (2) graph should be interpreted as “X% of survey respondents have indicated this measure in their top 3 most impactful measures”

3. SURVEY & INTERVIEW RESULTS

The study resulted in a short list of 6 most relevant support measures for the event sector as a whole

#	Type	Measure	Political level	Key benefits	For who?	Request
1	Human capital	Temporary unemployment (by force majeure - overmacht)	Federal	Allow more resource flexibility at more favourable financial conditions (compared to TWE) for employer & employee	All sized companies	Extension until at least December 2021 or longer to cover potential 4 th wave
2	Financial	Vlaams beschermingsmechanisme 10 & equivalent for Brussels/Wallonia	Regional	Compensation for turnover loss to cover fixed costs (max 10% of turnover)	Small & medium sized companies	Extension until at least December 2021 or longer to cover potential 4 th wave & re-evaluation of conditions
3	Financial	Globalisatiemechanisme & equivalent for Brussels/Wallonia	Regional	Compensation for turnover loss to cover fixed costs (max 10% of turnover)	Large sized companies	Re-introduction for full year of 2021 or longer to cover potential 4 th wave & re-evaluation of conditions
4	Financial	Overbruggingsrecht	Federal	Compensate self-employed for loss during inactivity	Self-employed	Extension until at least December 2021 or longer to cover potential 4 th wave
5	Fiscal/Tax	Investment reduction & 100% deductibility of reception costs	Federal	Boost relaunch and investment incentive	All sized companies	Re-introduction until at least December 2021 or longer to cover potential 4 th wave
6	Fiscal/Tax	Lower VAT on horeca & catering services & event supplies	Federal	Boost relaunch and accelerate recovery of cash position	All sized companies	Extension until at least December 2021 or longer to cover potential 4 th wave and introduction of same reduced VAT rate (6%) for event supplies



4 | Selection of measures and conditions

4. SELECTION OF MEASURES AND CONDITIONS

1/ Extension of temporary unemployment due to COVID-19 (TWOC)

Description (what?)	Rationale (why?)
<ul style="list-style-type: none"> Extension of temporary unemployment due to COVID-19 (TWOC) until 31 Dec 2021 	<ul style="list-style-type: none"> Provides more flexibility for both employer and employee than TWE (temporary unemployment due to economic reasons), benefits of TWOC are: <ul style="list-style-type: none"> Less administrative burden (automatic processing social secretariat) Lower withholding tax (15% compared to 26,75%) Higher wage for employees (70% compared to 65% of total wage) In recent press releases, a potential 4th wave is mentioned, to protect both the employer and employee, an extension until end Q4 is needed to cover this potential 4th wave Players in event sector are often subject to other parties for their schedules (e.g. international tours, conferences). They are not in control of cancellations or last minute changes, therefore it is not feasible to estimate the need for TWE a month upfront The system of TWOC affects the whole sector: all subsectors and all sizes
Conditions (who?)	
<ul style="list-style-type: none"> Companies with lower activity or inactivity due to COVID-19 restrictions 	
Notable exceptions/adaptations	
<ul style="list-style-type: none"> Lift the recruiting ban and allow organisations to recruit people for similar functions that are in TWOC <ul style="list-style-type: none"> Employees that are needed for the full relaunch of the event sector need to be recruited and trained in this period, the war for talent is making it challenging to find competent and experienced FTEs on short term Due to the ban on recruiting a delay in competent and trained workforce will negatively impact the full relaunch (in 2022) of the sector and cause operational inefficiencies 	
Monetary amount (how much?)	Timing (how long?)
<ul style="list-style-type: none"> 70% of average (max of 2754,76 EUR per month) Reduced withholding tax of 15% 	<ul style="list-style-type: none"> At least until 31 December 2021 or longer to cover the potential 4th wave

4. SELECTION OF MEASURES AND CONDITIONS

2/ Extension of Vlaams beschermingsmechanisme (& equivalent for Brussels/Wallonia)

Description (what?)

- Extension of Vlaams beschermingsmechanisme for Q4 2021 (sept-dec)
- Equivalent financial aid for Brussels & Wallonia

Conditions (who?)

- Companies with turnover loss of minimal 60% or forced closure due to COVID-19 restrictions

Rationale (why?)

- Provides short term cash injection, which is important for the event sector that is currently experiencing a cash flow shortage
- Covers part of the ongoing fixed costs during period of reduced activity or inactivity
- Short term impact on smaller sized companies up is considered high
- Positive impact on all subsectors within the event sector

Notable exceptions/adaptations

- Allow exceptions for companies with low number of FTE's and high asset intensity, currently the cut-offs are based only on FTEs, for a sector that is reliant on freelancers, the number of FTEs does not always reflect the reality of fixed ongoing costs an organisation incurs during inactivity
- To include the exception of companies/organisations that have low number of FTEs but high ongoing costs (due to high asset intensity, for example: technical suppliers and venue owners), we propose to add the following alternative cut-off criteria based on depreciation (which reflect asset intensity)
 - 9 FTEs **or** 5% annual depreciation 2019/turnover 2019
 - 10-49 FTEs **or** 10% annual depreciation 2019/turnover 2019
 - >50 FTEs **or** 15% annual depreciation 2019/turnover 2019

Monetary amount (how much?)

- 10% of turnover in same reference period of 2019 (excl. VAT)

Timing (how long?)

- At least until 31 December 2021 or longer to cover the potential 4th wave

4. SELECTION OF MEASURES AND CONDITIONS

3/ Re-introduction of globalisatiemechanisme for 2021 (& equivalent for Brussels/Wallonia)

Description (what?)

- Re-introduction of globalisatiemechanisme for full year of 2021
- Equivalent financial aid for Brussels & Wallonia

Conditions (who?)

- Companies with:
 - Turnover of minimal 450K during the period of April 2019 - December 2019
 - Turnover loss of minimal 60% and a recorded loss during the period of April 2020 – December 2020

Rationale (why?)

- It is the equivalent of Vlaams beschermingsmechanisme for larger sized companies, hence should be subject to the same level of extension
 - Vlaams beschermingsmechanisme has been extended until Q3 of 2021, whereas globalisatiemechanisme is currently only applicable for 2020
- Provides short term cash injection, which is important for the event sector that is currently experiencing a cash flow shortage
- Covers part of the ongoing fixed costs during period of reduced activity or inactivity
- Short term impact on large sized companies up is considered high
- Positive impact on all subsectors within the event sector

Notable exceptions/adaptations

- Allow exceptions for companies with low number of FTE's and high asset intensity, currently the cut-offs are based only on FTEs, for a sector that is reliant on freelancers, the number of FTEs does not always reflect the reality of fixed ongoing costs an organisation incurs during inactivity
- To include the exception of companies/organisations that have low number of FTEs but high ongoing costs (due to high asset intensity, for example: technical suppliers and venue owners), we propose to add the following alternative cut-off criteria based on depreciation (which reflect asset intensity)
 - 9 FTEs **or** 5% annual depreciation 2019/turnover 2019
 - 10-49 FTEs **or** 10% annual depreciation 2019/turnover 2019
 - >50 FTEs **or** 15% annual depreciation 2019/turnover 2019
- Allow exceptions for entities within companies that depend on events as main activity
 - Allow estimation of turnover loss based on entity (attested by official commissioner) instead of solely on consolidated level

Monetary amount (how much?)

- 10% of turnover in same reference period of 2019 (excl. VAT)

Timing (how long?)

- At least until 31 December 2021 or longer to cover the potential 4th wave

4. SELECTION OF MEASURES AND CONDITIONS

4/ Extension of reduced VAT on catering services (6%) and introduction of same reduced VAT rate for event supplies

Description (what?)	Rationale (why?)
<ul style="list-style-type: none"> Extension of reduced VAT rate on catering services at 6% until 31 Dec 2021 	<ul style="list-style-type: none"> Indoor & outdoor events on large scale (with limited restrictions) are only allowed starting October 2021, the current period of VAT reduction is only until September 2021, meaning that larger (indoor) event organizers have not been able to make use of this support measure Boosts relaunch of events and actual consumption on events Provides additional financial support to compensate for incurred losses during period of inactivity Short term impact is considered high Positive impact on both the event and horeca sector
Conditions (who?)	
<ul style="list-style-type: none"> Companies/organisations who cater food & beverage¹ in a B2C context (to be consumed on the spot) 	
Notable exceptions/adaptations	
<ul style="list-style-type: none"> Allow reduced VAT rate also for event supplies (technical & non-technical supplies) <ul style="list-style-type: none"> This would provide additional financial support for high asset B2C event suppliers that cannot make use of the reduced VAT on catering services 	
Monetary amount (how much?)	Timing (how long?)
<ul style="list-style-type: none"> Reduced VAT of 6% 	<ul style="list-style-type: none"> At least until 31 December 2021 or longer to cover the potential 4th wave

4. SELECTION OF MEASURES AND CONDITIONS

5/ Re-introduction of 100% deductibility of reception costs

Description (what?)	Rationale (why?)
<ul style="list-style-type: none"> • Extension of 100% deductibility of reception costs until December 2021 	<ul style="list-style-type: none"> • Receptions and (company) events have rarely place in 2020, since the restrictions during the 2nd and 3rd wave were still too stringent to organize receptions in an economically viable manner • The current period of reception cost deduction is only valid for events between 8/06/2020 and 21/12/2020, meaning that the majority of companies has not been able to make use of this support measure • By extending the measure, the incentive to organize events is boosted, which positively impacts the relaunch of the event sector • Indirect impact on all players and suppliers in event sector • Relatively straightforward measure to implement
Conditions (who?)	
<ul style="list-style-type: none"> • Companies/organisations that organize receptions can deduct 100% of the incurred costs 	
Notable exceptions/adaptations	
<ul style="list-style-type: none"> • / 	
Monetary amount (how much?)	Timing (how long?)
<ul style="list-style-type: none"> • 100% deductibility of reception costs 	<ul style="list-style-type: none"> • At least until 31 December 2021 or longer to cover the potential 4th wave

4. SELECTION OF MEASURES AND CONDITIONS

6/ Extension of overbruggingsrecht

Description (what?)

- Extension of overbruggingsrecht until December 2021
 - Dubbel corona-overbruggingsrecht
 - 'Crisis-overbruggingsrecht-omzetsdaling'
 - 'Crisis-overbruggingsrecht-quarantaine/zorg'

Conditions (who?)

- Self-employed affected by restrictions due to COVID-19 (inactivity or turnover loss)

Rationale (why?)

- The sector is strongly dependent on self-employed freelancers for its activities
- The event sector is by nature seasonal and temporary flexible workers (freelancers) are key
- Self-employed freelancers in the event sector are especially dependent on others for their planning and last-minute changes/cancellations, even more so during this pandemic

Notable exceptions/adaptations

- /

Monetary amount (how much?)

- Compensation of max 3.228,20 EUR per month

Timing (how long?)

- At least until 31 December 2021 or longer to cover the potential 4th wave



5 | Annex

5. ANNEX - ZOOM ON SUBSECTORS

The subsectors that were most heavily impacted based on the 3 key assumptions are: organizers, venues and technical suppliers

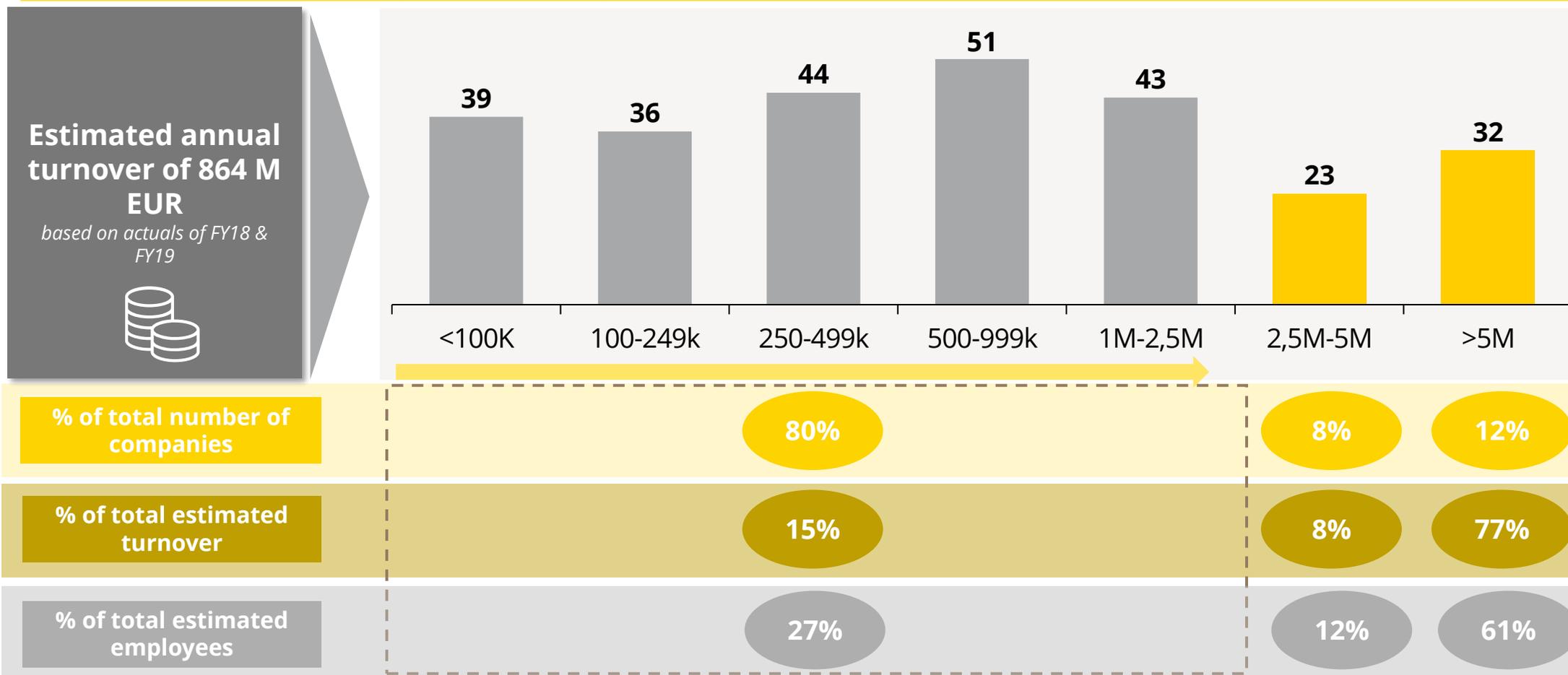
Subsector	Number of companies	Number of FTEs	Estimated turnover [M EUR]	Estimated depreciation [M EUR, % of TO]
Classification made by the federation	Source: lists of federations members (VAT numbers) after filter of public institutions	Include payroll workers only (~50% of total workforce)	Missing turnover data extrapolated from net value add	Missing data extrapolated based on turnover ratios (sum of cost indexes 63)
 Organizers	268	2 137	864	27 (3,2%)
 Technical suppliers	347	2 016	673	60 (8,9%)
 Locations / venues	397	5 928	920	90 (9,8%)
TOTAL OF 3 SUB SECTORS	1 012	10 081	2 457	177



5. ANNEX - ZOOM ON SUBSECTORS

The largest players within the subsectors, that often cater to larger events (which are currently not allowed) take the hardest hit

Data sample ORGANIZERS [# companies] - 268 companies, last data available in Belfirst



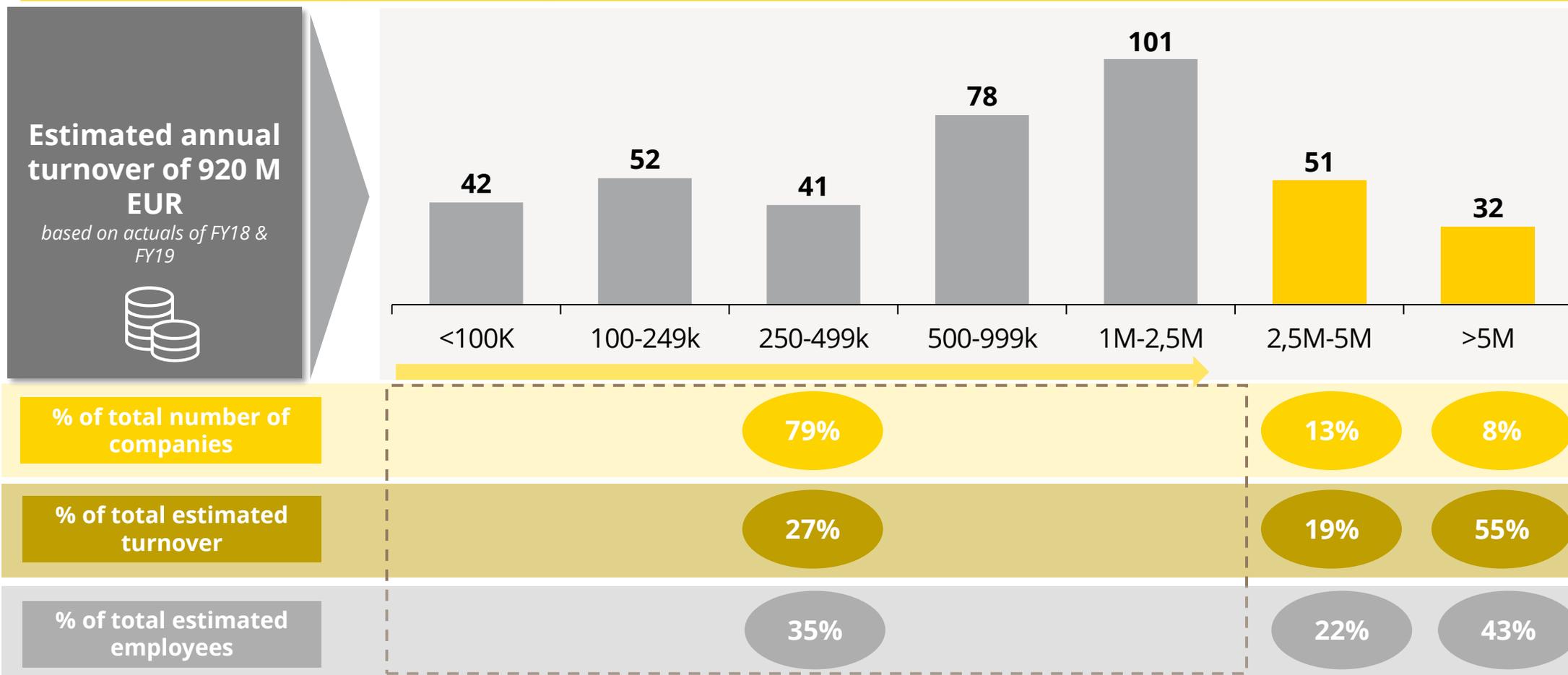
Sources: Federation input of Febelux, ACC, BESA; Belfirst; Deloitte analysis



5. ANNEX - ZOOM ON SUBSECTORS

The largest players within the subsectors, that often cater to larger events (which are currently not allowed) take the hardest hit

Data sample **VENUES** [# companies] – **397 companies**, last data available in Belfirst

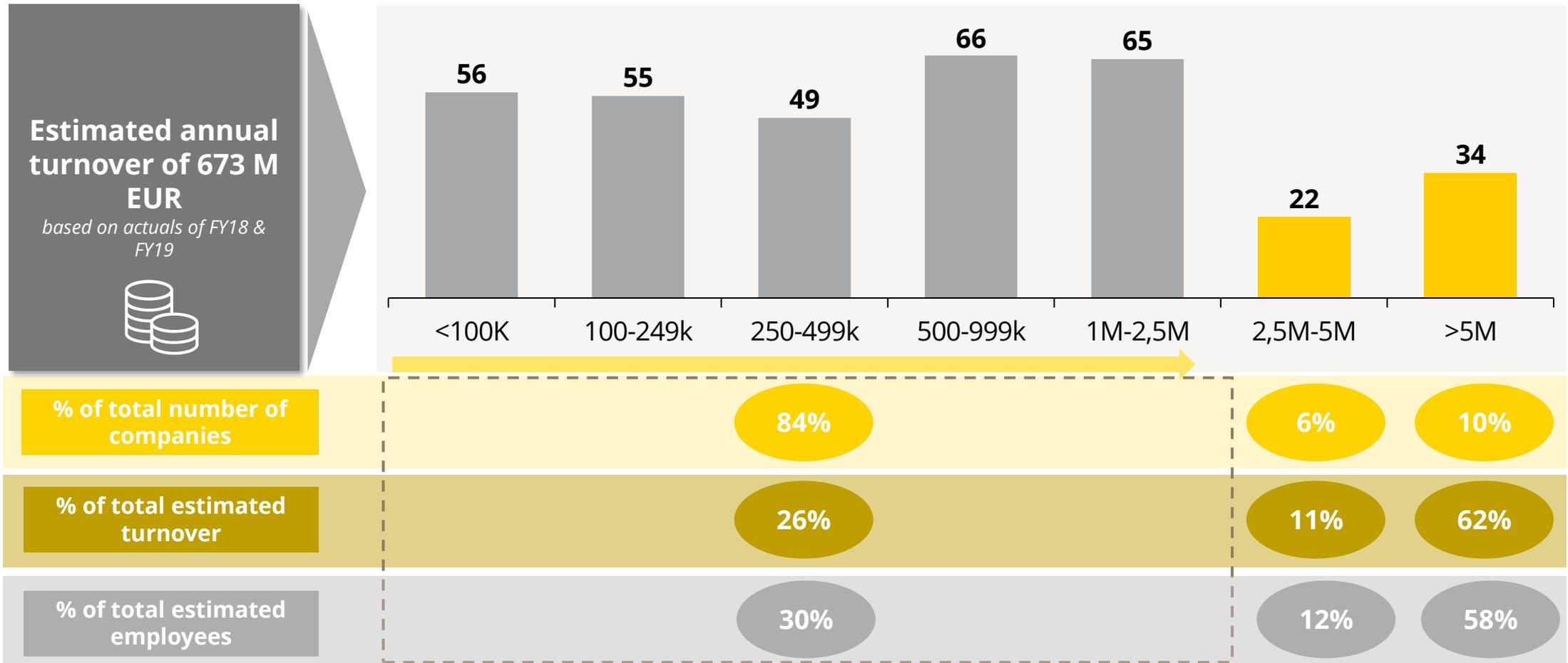




5. ANNEX - ZOOM ON SUBSECTORS

The largest players within the subsectors, that often cater to larger events (which are currently not allowed) take the hardest hit

Data sample TECHNICAL SUPPLIERS [# companies] - 347 companies, last data available in Belfirst





Thank you

This publication contains general information only, and none of the member firms of Deloitte Touche Tohmatsu Limited, its member firms, or their related entities (collective, the "Deloitte Network") is, by means of this publication, rendering professional advice or services. Before making any decision or taking any action that may affect your business, you should consult a qualified professional adviser. No entity in the Deloitte Network shall be responsible for any loss whatsoever sustained by any person who relies on this publication.

As used in this document, "Deloitte" means Deloitte Consulting LLP, a subsidiary of Deloitte LLP. Please see www.deloitte.com/us/about for a detailed description of the legal structure of Deloitte USA LLP, Deloitte LLP and their respective subsidiaries. Certain services may not be available to attest clients under the rules and regulations of public accounting.

**Copyright © 2021 Deloitte Development LLC.
All rights reserved. Member of Deloitte Touche Tohmatsu Limited**