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German Tax and Legal News

COVID-19: Extension of relief measures for cross-border commuters to and from Belgium

Decree further extends relief measures for cross-border commuters.

In a decree dated 25 June 2020, Germany's Ministry of Finance (MOF) provided another extension of the relief measures for cross-border commuters to or from Belgium, based on a 22 June 2020 mutual agreement concluded with Belgium. The decree includes an extension of the mutual agreements with Belgium that were concluded to avoid unfavorable tax consequences for cross-border commuters that are working from home due to the coronavirus (COVID-19) and stay-at-home policies. The first mutual agreement with Belgium was concluded on 6 May 2020 and the original relief measures would have expired on 31 May 2020, and the second mutual agreement was concluded on 20 May 2020 to provide for an extension of the relief measures to 30 June 2020 (see GTLN dated 14 April 2020 and GTLN dated 28 May 2020). The 22 June mutual agreement and 25 June decree further extend the relief measures until 31 August 2020.

For the similar agreements that Germany concluded with Luxembourg, the Netherlands, Austria, and France (mutual agreements dated 3 April 2020, 6 April 2020, 15 April, and 13 May 2020, respectively), extension agreements like the one with Belgium are not necessary, as these agreements are automatically extended each month until the end of the following month if not terminated by one of the parties with a one-week notice period. The same applies for a mutual agreement with Switzerland that was concluded for the same purposes on 11 June 2020 (see GTLN dated 16 June 2020). So far, none of these agreements has been terminated.

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