



AECM comments on mitigating the economic effects of the corona outbreak

The economic impact of the coronavirus pandemic on SMEs is pervasive and can best be fought in joint actions of regional, national and European level. As an annexe to this paper, an overview of measures undertaken by AECM's members to counteract the economic consequences is added.

From the European level, it is essential that the support

- is provided quickly on a first come first served basis, meaning that geographical balance is of secondary importance,
- is provided in an easy to comply with way, i.e. standardized to comply with the high number of demands for guarantees,
- is provided in a comprehensive way since all SMEs suffer from the consequences. This is valid content-wise as well as regarding the funding: if no new money is available, reallocation of funding is crucial since the guarantee capacity must be increased in accordance with the increasing demand, and
- is provided in a flexible way since further developments cannot be predicted by anyone at this stage.

From AECM's point of view, the EU level should undertake the following actions to help SMEs through this rapidly evolving situation:

State aid:

A temporary framework is needed like during the financial crisis providing guarantee institutions with enlarged possibilities to support SMEs' access to finance. To this end,

- the *de minimis* threshold should be significantly increased whereas the aid should be considered as transparent irrespective of the applied method of the calculation of the Gross Grant Equivalent (GGE),
- the guarantee coverage for bank loans should be increased up to 90% for loans of up to 7 years so as to support working capital needs of companies and also their rebound on a longer term,
- it should be possible that structural funds could be used as co-financing tools in the temporary state aid framework,
- at least in relation to SMEs, the charging of guarantee fees should no longer be required,
- the duration permitted should take into account also the fact that the default of the SMEs may occur in the year n+2 or n+3,
- the application period should take into consideration the bureaucracy burden often faced by SMEs and therefore, be long enough in order to allow SMEs to make use of the instrument.

Financial instruments:

20 members of AECM are using the COSME loan guarantee facility, 10 are financial intermediaries for the InnovFin SMEG and 17 are using financial instruments under shared management from structural funds. To speed up the procedure, these exceptional times require exceptional measure. Thus, we would welcome the following measures which aim at broadening the scope of existing instruments to allow for higher risk-taking:

- no time-consuming change of the legal base but an interpretation in the widest possible and in a results-driven way; if new calls cannot be avoided, there should be a simplified fast-track procedure put in place; neither any changing of existing contracts should be asked for, nor the requirement to conclude new contracts, no eligibility criteria but fast and result-oriented processing;
- allow for transactions with a duration below 12 months (e.g. 1 month) to meet the demands for short-term guarantees;
- allow for refinancing of existing credit exposures meaning that both, COSME LGF and InnovFin SMEG need to be available to refinance existing short-term working capital loans and overdrafts;
- increase the guarantee rate / percentage of EU counter-guarantees to 80%;
- allow for rescheduling, restructuring and grace periods; more precisely, it should be possible to provide companies with a grace period of 6 months for their loan interest under COSME and InnovFin while extending the termination date of these contracts with the EIF if necessary;
- dropping the innovation criteria and business plan from InnovFin;
- either decrease the reference volume or prolong the deadline or inclusion period so that those members who are confronted with a slow-down of the lending activity in their respective countries will not face the situation that due to non-compliance with the reference volume in the foreseen time to not benefit from COSME at all;
- no more adherence to the 150.000 EUR threshold of COSME or at least a substantial increase of this threshold;
- since SMEs are all affected, the criterion of COSME of high-risk should be applied to all SMEs per se no need for further assessment;
- increase the maximum cap rate of COSME from 10% to at least 20% ideally to 25% and
- expand the regular interest cover from 90 days to at least 180, better 360 days.

We would very much appreciate if the European institutions could take our requests into their kind consideration. To conclude, we would like to underline that AECM and its members stand ready assume their responsibility doing everything possible to overcome the current crisis quickly and as best as possible what will only be feasible in a joint manner.

Brussels, March 2020

Survey among AECM members as to the undertaken measures to offset the negative effects on the economy, especially on SMEs caused by the coronavirus outbreak (COVID-19) (launched on 11 March 2020)

<p>1. aws Austria</p>	<p>Bridge-Finance-Guarantees due to the Corona Virus Crisis</p> <p>The aim is to facilitate the financing of working capital loans from companies whose sales and earnings development is impaired by order, delivery or other market changes due to the "corona virus crisis"</p> <p>What do we support - how and to what extent?</p> <p>Working capital financing (e.g. goods purchases, personnel costs) to financially sound companies are supported, which due to the current "Corona Virus Crisis" have no or insufficient liquidity to finance ongoing operations or whose sales and earnings development is impaired by order failures or market changes.</p> <ul style="list-style-type: none">• Up to 80% of a loan of up to EUR 2.5 million per SME.• Guarantee period max. 5 years• Processing fee: starting with 0.25 % of the amount to be financed, one-time fee• Guarantee fee: starting with 0.3 % p.a. (variable to risk) of outstanding liability <p>What cannot be supported?</p> <p>Short-term loan financing (less than 6 months) is excluded from a guarantee.</p> <p>https://www.aws.at/aws-garantie/ueberbrueckungsgarantie/</p> <p>More and more Austrian companies are negatively affected by the economic impact of coronavirus. For this reason, the aws bridging guarantee, which has been available since 12 March 2020, will be significantly expanded and simplified with immediate effect on behalf of the Austrian federal government.</p> <p>The following extensions are of central importance:</p> <ul style="list-style-type: none">- Waiver of the charging of handling and guarantee fees- No planning calculations or business plans required- No loan collateral required- Freelance activities are now eligible for guarantee- Guarantees can also be used to defer existing credit lines- A fast-track procedure will be introduced to enable guarantees to be given immediately. <p>All extension measures will take effect immediately and will also affect applications for support that have already been submitted. The exception is the accelerated procedure, which will be available in the next few days.</p> <p>https://www.aws.at/aws-garantie/ueberbrueckungsgarantie/</p> <p>For the time being, the provisions of state aid law must be complied with, but a change at EU level is likely to be imminent.</p>
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	<p>Banks apply for their corporate customers the bridging guarantee and receive a fast track as a rule within 24 hours the confirmation of the acceptance by aws. For guarantees over EUR 20 million usually within 48 hours.</p> <p>For “companies in difficulties”: guarantee for credits up to EUR 1.5 million, with a coverage rate of 80%, the interest rate is variable but there is no guarantee fee</p> <p>For companies that are “not in difficulties”: a 100 % guarantee with interest rate of 0% (in the first two years) and no guarantee rate for guarantees for credit of up to EUR 500.000. For guarantees covering credits of up to EUR 27.7 million, a coverage rate of 90 % applies and the interest rate is 1%, the guarantee fee lies between 0.25 and 1%</p>  <p>Leutgeb Kurt K.Leutgeb@aws.at</p>
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<p>2. NÖBEG Austria</p>	<p>For small and medium-sized enterprises in Lower Austria which have been negatively affected by the economic impact of the coronavirus, the province of Lower Austria is making available a package of measures with a liability limit of EUR 20 million for rapid support.</p> <p>The target group are Lower Austrian SMEs in trade and tourism with a membership in the Lower Austrian Chamber of Commerce.</p> <p>Necessary liquidity (e.g. in the event of declining sales, bad debts, problems with the purchase of goods, loss of personnel, etc.) should contribute to the stabilisation of the operative business.</p> <p>An 80% liability is assumed to secure a new working capital loan of up to EUR 500,000.00 to be granted by a credit institution with a term of up to 5 years.</p> <p>The processing fee and the current guarantee commission are taken over 100% by the State of Lower Austria / Lower Austrian Economic and Tourism Fund.</p> <p>Funding is provided within the scope of the <i>de minimis</i> regulation.</p> <p>The staff of the NÖBEG is available for specific enquiries during normal office hours: (Telephone: 02742/9000-19335; email: stabilisierung@noebeg.at)</p> <p>An initial response will be given within 24 hours.</p> <p>Applications can be submitted directly via the homepage www.noebeg.at</p>
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<p>3. SOWALFIN Belgium</p>	<p>In order to help companies impacted by the coronavirus crisis, we have a specific mathematical reserve to guarantee:</p>
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	<p>- at 50%, with a maximum commitment of EUR 500,000, the existing short-term lines of credit, granted by banks without SOWALFIN guarantee, in order to maintain these means at the disposal of the impacted companies;</p> <p>- at 75%, the new short-term resources that would be granted to companies to help them get through this period of crisis.</p> <p>and this, of course, within the overall ceiling of EUR 1,500,000 outstanding per beneficiary.</p> <p>At this stage with payment of a commission of 1% of the annual commitment as a guarantee (a guarantee of 50% of a line of EUR 1,000,000 for 1 year gives an annual commission of EUR 5,000).</p> <p>We also have our service "1890" (website and call number) to answer any questions from affected companies (call number open Monday to Friday from 8am to 7pm) and to inform them precisely about what they could be entitled to according to their situation.</p> <p>We are in the process of identifying other measures falling within the scope of SOWALFIN's missions that would enable the impacted companies to alleviate cash outflows: moratoria on our credits, guarantees within the framework of moratoria of minimum 3 to 6 months granted by banks on investment credits initially not guaranteed by SOWALFIN.</p> <p>For the criteria, we will rely on the elements provided by the banks, our guarantees being granted on an individual basis.</p> <p>Viviane MOL vmol@sowalfin.be</p>
<p>4. PMV/z-Waarborgen nv Belgium</p>	<p>There is a decision for an additional guarantee in Flanders.</p> <p>100 million of additional guarantees for companies suffering from the corona-virus for new working capital financing (outstanding debts up to 12 months); guarantees up to 5 years, 75% coverage, 0,5% premium (per year), max guarantee amount of 1,5 million euro.</p> <p>https://www.demorgen.be/nieuws/dit-zijn-de-ondersteunende-maatregelen-van-de-vlaamse-regering~b4d1066c/</p> <p>PMV'S FINANCIAL ARSENAL SUPPORTS COMPANIES AGAINST THE IMPACT OF THE CORONA VIRUS:</p> <ul style="list-style-type: none"> • GUARANTEE CAPACITY OF 3.4 BILLION <p>In combination with the recently announced corona crisis guarantee, PMV has a total guarantee capacity of 3.4 billion that will be fully deployed. In addition to the ordinary guarantee scheme and the corona crisis guarantee, the guarantee capacity of Gigarant - for guarantees above one and a half million euros - also doubles to 3 billion euros.</p> <ul style="list-style-type: none"> • CORONA CRISIS GUARANTEE <p>The Flemish government decided to expand the existing 'generic' guarantee scheme, with an already marketed capacity of 300 million euros, with a corona crisis guarantee of 100 million euros. Further extension of the guarantee capacity can be considered if necessary. Under the 'generic guarantee scheme', an existing credit line, credit or a lease for which a guarantee already exists can already be extended.</p> <p>For companies that, due to the impact of the corona virus in particular, have been unable to pay outstanding invoices for longer, the Flemish government is now also making it easier to find financing for their working capital at the bank. The Coronavirus guarantee (EUR 100 million) also allows businesses and self-employed persons to guarantee bridging loans for up to 12 months for existing non-bank debts, while this is only possible for up to 3 months for the existing guarantee scheme. The 12-month period must be counted from the date of signature of the credit contract.</p>

	<p>Moreover, the cost of the guarantee for the entrepreneur is halved: with the crisis guarantee, this goes to 0.25%.</p> <p>Finally, under the EUR 100 million Corona crisis guarantee, bank debts (in addition to supplier debts) of existing credit lines and investment credits that have not yet been placed under guarantee can be guaranteed, insofar as the bank is also prepared to allow a minimum of 3 months payment delay or maintain credit lines. In this way, the crisis guarantee serves as a catalyst for a flexible banking policy towards companies.</p> <p>In addition, the coronavirus guarantee is extended with the possibility of a 50% guarantee on short-term credit lines, provided that they are retained for at least 3 months.</p> <p>More information about the Corona crisis guarantee and how to apply for it can be found here.</p> <ul style="list-style-type: none"> • GUARANTEE CAPACITY OF 3 BILLION EUROS VIA GIGARANT <p>In the context of the temporary relaxation of European state aid rules in the context of the Corona crisis, Gigarant will be able to market an adapted COVID-19 guarantee, which will provide more flexibility</p> <ul style="list-style-type: none"> • SUBORDINATED LOANS • SUSPENSION OF REPAYMENT FOR 860 SMES • FINANCIAL ASSISTANCE TO COMPANIES <p>You can find more information about the measure on the PMV / z site</p> <p>The cost of the guarantee for the entrepreneur is halved: with the crisis guarantee, this goes to 0.25%</p> <p>Peter Sleenckx Peter.Sleenckx@pmv.eu</p>
<p>5. HAMAG-BICRO Croatia</p>	<p>The Croatian Government will propose to the EU Commission that the <i>de minimis</i> threshold is increased from 200.000 euro to 500.000 euro.</p> <p>The Croatian Small Business, Innovation and Investment Agency (HAMAG-BICRO), in cooperation with the Ministry of Economy, Entrepreneurship and Crafts, the Ministry of Regional Development and Funds of the European Union and the Ministry of Agriculture, is implementing nine new measures aimed at micro, small and medium-sized enterprises caused by a coronavirus pandemic.</p> <p>Here are nine specific measures:</p> <ol style="list-style-type: none"> 1. Moratorium on all installments of ESIF Micro and Small Loans and Micro and Small Rural Development Loans by December 31, 2020 and the extended repayment / repayment period of the guaranteed loans. These measures affect the preservation of the liquidity of micro, small and medium-sized enterprises, ensuring their stability and business continuity. 2. Increase in allocation for the ESIF financial instrument Micro working capital loans for micro and small businesses (EUR 1,000-25,000; grace period of 12 months; reduction of interest to 0,5% - 0,75% - 1,0%, depending on the development index). 3. Reduction of interest rates on investment loans ESIF Micro and Small loans, with 30% share of working capital, to 0.1% -0.25% -0.5%.

	<ol style="list-style-type: none"> 4. Increase of the maximum guarantee rate for ESIF individual guarantees for working capital loans from 65% to 80% of the loan principal (guaranteed loans guarantee amount of EUR 150,000-1,000,000) through 17 financial institutions. 5. Stronger promotion of HAMAG-BICRO's ESIF Limited Guarantee Portfolio Guarantees up to EUR 150,000 for working capital through 10 financial institutions. 6. Establishment of a new financial instrument "COVID-19 Loans / Loans" for working capital for SMEs. 7. The establishment of a new financial instrument, the Rural Development Micro Loan for working capital, provides additional liquidity to small business entities in the agricultural, processing and forestry sectors with faster and easier processing, grace periods and lower interest rates. 8. A 50% guarantee against the principal of the ESIF Micro working capital loan for the tourism sector, which significantly reduces conventional security instruments and provides a more favorable interest rate of 0.5% - 1.0%, which speeds up the overall processing process. 9. Rural Development Program - Establishment of Measure B - Individual guarantees up to 80% of the principal of working capital loans (guarantee amount up to EUR 1,000,000) implemented through 16 financial institutions. <p>https://hamagbicro.hr/mjere-hamag-bicro-a-za-pomoc-mikro-malim-i-srednjim-poduzetnicima-uslijed-pandemije-uzrokovane-koronavirusom/</p> <p>On 24 March 2020, HAMAG-BICRO has launched micro WC loans from 1.000 to 25.000 EUR with IR from 0,5-1% depending on the region and development index.</p> <p>Regarding the guarantees they have increased the coverage rate from 65% to 80% for WC loans and have decreased their fee from 1% to 0,1% (their fee is only one time fee).</p> <p>HAMAG-BICRO is also in close contact with their Ministry of Agriculture for micro WC loans, since now they can only approve investment loans. Including preparations for COVID loans with the Ministry of regional development for ESIF funds.</p> <p>Marijana Barsic Barun Marijana.BarsicBarun@hamagbicro.hr</p>
<p>6. CMZRB Czech Republic</p>	<p>Czech government approved a new program „COVID Loan” financed from the state budget (national scheme). The aim is to support SMEs that are somehow affected by the coronavirus infection and related preventive measures.</p> <p>Parameters: interest-free (working capital) loan covering up to 90% of eligible expenses of the project, loan amount EUR 20,000 - 600,000, 2-year maturity, grace period up to 1 year.</p> <p>Start of the program: 1 April 2020 Total amount of the program: ca 24 million EUR</p> <p>Demand: 3,200 applications submitted during 5 working days in the amount of € 370m</p> <p>COVID II</p> <p>Type: guarantee program (guarantee for working capital loans)</p> <p>Announced: 20 March 2020</p> <p>Start: 30 March 2020</p>

	<p>Source of financing: ESIF funds (within the framework of existing guarantee program EXPANSION – GUARANTEES)</p> <p>Target group: SMEs</p> <p>Guarantee fee: no</p> <p>Loan amount: up to EUR 600,000</p> <p>Guarantee period: 3 years</p> <p>Interest rate subsidy for the commercial loan: up to EUR 40 000</p> <p>Allocation: 200 million EUR</p> <p>End of the 1st call: 3 April 2020 (2nd call to be opened during April)</p> <p>Support for SMEs in Prague under preparation</p> <p>Petr Krupa KRUPA@cmzrb.cz</p>
7. Denmark	https://ec.europa.eu/commission/presscorner/detail/en/ip_20_454
8. KredEx Estonia	<p>Loan collateral amounting to EUR 1 Billion for bank loans already issued in order to allow for repayment schedule adjustments (maximum EUR 600 Million for the surety collection)</p> <p>https://www.kredex.ee/en/node/2006</p> <p>Instruments in place</p> <p>Extraordinary proportional guarantee for new loans - The purpose of the extraordinary proportional guarantee is to allow new loans to companies under simplified conditions to provide liquidity in order to overcome the temporary difficulties and investments caused by the outbreak of COVID-19.</p> <p>Extent of a KredEx guarantee: Up to 90% of the guaranteed loan or lease</p> <p>More info: https://www.kredex.ee/sites/default/files/2020-04/erakorraline_proportsionaalne_kaendus_uutele_laenudele_eng.pdf</p> <p>Extraordinary proportional guarantee for existing loans - The purpose of the extraordinary proportional guarantee is to allow existing loans to have a longer than normal grace period (at least 6 months) and an extension of the maturity to provide liquidity to overcome the temporary difficulties caused by the COVID-19 outbreak.</p> <p>Extent of a KredEx guarantee: Up to 50% of the guaranteed loan or lease</p> <p>More info: https://www.kredex.ee/sites/default/files/2020-04/erakorraline_proportsionaalne_kaendus_olemasoelvatele_laenudele_eng.pdf</p> <p>Extraordinary fixed guarantee for existing loans - The purpose of the extraordinary proportional guarantee is to allow existing loans to have a longer than normal grace period (at least 6 months) and an extension of the maturity to provide liquidity to overcome the temporary difficulties caused by the COVID-19 outbreak.</p> <p>Extent of a KredEx guarantee: Up to 35% of the loan and lease to be secured, but no more than the sum of the payments of the principal amount of the loan or lease which will remain accessible to the company until 31.12.2021.</p>

	<p>More info: https://www.kredex.ee/sites/default/files/2020-04/erakorraline_fikseeritud_kaendus_olemasolevatele_laenudele_eng.pdf</p> <p>Extraordinary loan - The target group for the extraordinary loan is companies that need a working capital or investment loan to overcome the temporary difficulties caused by the outbreak of COVID-19.</p> <p>Precondition: The company has received a negative response or decision from the bank or lessor on unreasonable terms to the loan application.</p> <p>More info: https://www.kredex.ee/sites/default/files/2020-04/erakorraline_otselaen_eng.pdf</p> <p>All extraordinary guarantee products are subject to an overall loss cap per lender.</p> <p>Instruments under preparation</p> <p>Extraordinary new microloan (up to EUR 150 000) guarantee for SME</p> <p>Extent of a KredEx guarantee: Up to 100% of the guaranteed loan or lease.</p> <p>Extraordinary guarantee for tourism and catering sector</p> <p>Extent of a KredEx guarantee: Up to 100% of the guaranteed loan or lease.</p> <p>Extraordinary proportional guarantee for loans over EUR 2 000 000</p> <p>Loan collateral amounting to EUR 1 Billion for bank loans already issued in order to allow for repayment schedule adjustments (maximum EUR 600 Million for the surety collection).</p> <p>https://www.kredex.ee/en/node/2006</p>
<p>9. Finnvera Finland</p>	<p>Finnvera takes a flexible approach towards all reorganisation needs of financing caused by the coronavirus. We have the capability to significantly increase our SME corporate financing and help enterprises over the crisis. The company must have the potential to operate profitably in the long term. We recommend our customers to proceed as follows:</p> <ol style="list-style-type: none"> 1. Contact your bank as early as possible. 2. Finnvera and banks are taking a flexible approach towards payment arrangements and such arrangements should be made with the bank as early as possible i.e. Finnvera is ready to prolong both their guarantee and loan repayment days and giving amortisation free period; they are also ready to use 80 % guarantees whenever it's possible; we have broadened the use of SME-guarantee (within COSME) also to such companies which don't necessarily seek growth so that they can use it also in COVID-19 based financing needs; furthermore they are recruiting some extra people to help them with the applications 3. Finnvera provides the guarantee to facilitate the working capital granted by the bank. <p>Finnvera grants the bank the permission to grant an instalment-free period to the loans granted. Companies can apply for a six-month instalment-free period using an electronic application. Companies will only pay the interest and expenses during the instalment-free period.</p> <p>Finnvera's Start Guarantee and Start Guarantee can be used for working capital needs caused by the coronavirus as well. The Start Guarantee is directed at companies which have been operating for a maximum of three years and the SME Guarantee for companies which have been in operation for more than three years.</p>

	<p>The SME Guarantee can be used to cover a loan of maximum EUR 150,000. Furthermore, the SME Guarantee is still available for the financing of investments and working capital of SMEs seeking growth.</p> <p>Finnvera reduces and simplifies the pricing of the guarantees used in financing working capital for the corona situation retroactively from the beginning of March 2020. The annual guarantee commission for the Start Guarantee for start-ups, the SME Guarantee for companies that have been active for more than 3 years and Finnvera Guarantee's fast track is reduced to a maximum of 1.75%. The service fee for the Start Guarantee and the SMF Guarantee is reduced and is 0.1% of the amount of guarantee. The change applies to the aforementioned guarantees issued from 1 March 2020 and will be taken into account in the company's invoicing without separate contact from the client. In addition, Finnvera retroactively reimburses the difference in fees to those clients who have already paid a higher guarantee commission or handling fee. For the fast track, the service fee remains unchanged at approximately EUR 400.</p> <p>Kari Villikka Kari.Villikka@finnvera.fi</p>
<p>10. EDC France</p>	<p>EDC is looking at granting 6 months deferral on reimbursement of the loan in agreement with the banks.</p> <p>Yvan PARROT Yvan.PARROT@eurocaution.net</p>
<p>11. Bpifrance France</p>	<p>EMERGENCY SUPPORT PLAN FOR COMPANIES</p> <ul style="list-style-type: none"> • As a partner of your bank and the regions, Bpifrance helps: • Bpifrance guarantees your bank up to 90% (before 70%) if it gives a loan for 3 to 7 years... • Bpifrance guarantees up to 90% of overdraft if the bank confirms it over 12 to 18 months • Bpifrance brings cash directly • Bpifrance offers an unsecured loan over 3 to 5 years of EUR 10 000 to 5 million for SMEs, and several dozen million EUR for midcaps, with a significant deferral of repayment • Bpifrance mobilises all invoices and adds a credit of 30% of the mobilised volume • Bpifrance is suspending the payment of granted loan installments as of March 16 • Bpifrance reminds you that you can request the postponement of tax and social security deadlines and ask for tax rebates from the administrations and services concerned <p>https://www.bpifrance.fr/A-la-une/Actualites/Coronavirus-Bpifrance-active-des-mesures-exceptionnelles-de-soutien-aux-entreprises-49113</p> <p>Contact with our clients:</p> <ul style="list-style-type: none"> - A lot of them were already called directly by our business developers - We also have created a hotline so that the companies can call us easily , - + ask them to put their mobile numbers on the Bpifrance.fr site so as to call them back quickly and avoid saturation of telephone lines. - We are going to make this known through a communication campaign, around our toll-free number (this started beginning of March already).



We try to maintain cash in the companies with the following measures:

Concerning guarantee:

- We guarantee 90% for short to medium term credit extensions (above 300 k€).
- under 300K€ the guarantee is increased to 70% and we have raised the threshold for delegation to banks (from 200K€ before to 300 k€).
- We are mobilizing our regional partners to increase the guaranteed quotas, and to launch “rebound loans” without guarantee up to 500 k€.
- We guarantee the confirmed credit lines at 90% on our cash strengthening fund.

Direct Cash measures:

- We return security deposits to our clients.
- We offer a 30% "top-up" to our short-term clients (unsecured).

Loans:

- We grant unsecured loans with 90% coverage, up to 5 m€ for SMEs and 30 m€ for mid-caps.

Investments:

- We will inject convertible bonds into SMEs through a fund launched within 10 days.
- We will not hesitate to put capital and current accounts back into our holdings.
- concerning Fund of Funds’ investments: no more Fund size requirement, and possibility to increase the control ratios.

Accompaniment:

- Our support teams will help the 1,500 accelerated start-ups to date to manage the crisis and in particular the cash position.

Conclusion:

The objective is that together with our banking partners, we are going to build a massive working capital bridge for the French economy.

In total, we are preparing to mobilize more than 3 G€.

Other measures to come for Startu-ps.

Marie-Claude TAILLANDIER THOMAS
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**12. SIAGI
France**

As a partner of all French banks SIAGI decided to:

- guarantee the suspension of all the payments of existing loans (capital + interests) during a 6 month period to be extended if necessary
- guarantee 2 to 7 year loans granted by banks up to 70%

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<p>13. VDB Germany</p>	<p>On Friday (13.03.2020), the Federal Ministry of Economics and Finance presented measures for the economic management of the "Corona crisis" that had been agreed with the federal states. For the guarantee banks, extensions of the framework conditions for default guarantees are planned.</p> <p>These include:</p> <ul style="list-style-type: none"> - Increase of the guarantee ceiling to EUR 2.5 million (previously EUR 1.25 million) - higher risk assumption by the Federal Government through an increase in the counter-guarantee - and various measures to speed up decision-making <p>The measures support all commercial small and medium-sized enterprises (SMEs) and the liberal professions across all sectors and will be implemented by the guarantee banks as soon as possible.</p> <p>If liquidity assistance, e.g. from KfW or the state development banks, is needed to bridge the "corona crisis", the guarantee banks can provide this in combination with financing from the main bank. The companies and their business models should have been economically viable before the crisis broke out.</p> <p>https://vdb-info.de/aktuelles/pressemitteilungen/corona-krise-buergschaftsbanken-erweitern-unterstuetzung-von-kmu</p>
<p>14. SBCI Ireland</p>	<p>Please see the link to Government of Ireland press release regarding the use of the Credit Guarantee Scheme (A Government of Ireland scheme administered by the SBCI). https://dbei.gov.ie/Djei/en/News-And-Events/Department-News/2020/March/10032020.html</p> <p>SBCI is also actively looking at other schemes to repurpose if appropriate/possible by adding a "Covid" eligibility question.</p> <p>The new Sustaining Enterprise Fund of up to €180 million is specifically aimed at firms with 10 or more employees impacted by COVID-19 that are vulnerable but viable. The fund is operated by Enterprise Ireland, providing repayable advances of up to €800,000 as agreed with the EU under new State Aid rules.</p> <p>Microenterprises can access COVID-19 Business Loans of up to €50,000 from Microfinance Ireland. The terms include a six months interest free and repayment free moratorium, with the loan to then be repaid over the remaining 30 months of the 36-month loan period. Loans are available at an interest rate of between 4.5% and 5.5%. Businesses can apply through their Local Enterprise Office or directly at microfinanceireland.ie. Eligibility criteria apply.</p> <p>https://dbei.gov.ie/en/What-We-Do/Supports-for-SMEs/COVID-19-supports/Government-supports-to-COVID-19-impacted-businesses.html</p> <p>Brian Colgan Brian.Colgan@sbc.gov.ie</p>
<p>15. Assoconfidi Italy</p>	<p>Assoconfidi searches for possibilities to increase the maximum amount of the <i>de minimis</i> guarantee to 100 % of the loan.</p> <p>Confidi guarantees foresee suspension of loan instalments and extension of the financing period.</p>

	<p>This measures are in place for 9 months.</p> <p>Coopfidi offers zero rate for businesses and professionals.</p> <p>Facilitation features:</p> <ul style="list-style-type: none"> • Amount: € 10,000 - fixed • Duration: 1 to 5 years • Pre-amortization: 12 months (only for loans with a duration of at least 24 months) • Interest rate: zero • Reimbursement of instalment: constant monthly deferred <p>No expense to report</p>
<p>16. ISMEA Italy</p>	<p>The following economic measures have been adopted:</p> <ul style="list-style-type: none"> • Suspension of all loan instalments falling due in 2020. The capital portion of the suspended instalments may be repaid in the year following the year of conclusion of each repayment plan, while the interest portion will be consolidated in the residual debt and amortized for the entire remaining part of the plan. • Exclusion of the period between March 1, 2020 and July 31, 2020 from the calculation of the pre-amortization duration of the investment plans authorized by the Institute. • Automatic extension of ISMEA guarantees on all loans already guaranteed for which an extension of the duration of the amortization plans is requested, without additional charges for companies. • Settlement of expenses incurred by companies for work progress in simplified mode. • Suspension of the deadlines for the implementation of business plans whose expiry date is between 1 March 2020 and 31 July 2020. • Suspension until 31 July 2020 of all non-performing and certification activities pursuant to art. 13 paragraph 4-bis of Decree Law 193/2016. <p>In addition, in order to ensure the widest possible participation of young people and to prevent emergency containment measures from restricting access to the Institute's facilities:</p> <ul style="list-style-type: none"> • The publication of the Notice for the installation of young people in agriculture is postponed until after July 31, 2020; • The deadline for the presentation of expressions of interest for the sale of the land in Banca delle Terre is postponed to 31 May 2020. <p>http://www.ismea.it/flex/cm/pages/ServeBLOB.php/L/IT/IDPagina/10983</p>
<p>17. Altum Latvia</p>	<p>ALTUM has developed 2 measures for companies that have been affected by the COVID-19 spread and are facing financial problems. Both measures are developed in accordance to <i>Temporary Framework to support the economy in the context of the COVID-19 outbreak</i>. At the moment ALTUM is close communication with EC about implementing the Framework within the measures. Support cannot be granted to companies that are in financial difficulty on 31.12.2019. Measures have been approved by the government on 19.03.2020.</p> <p>INDIVIDUAL GUARANTEES:</p> <ul style="list-style-type: none"> • Amount of public funding - 50 MEUR • Amount of financial services covered by the guarantee - 715 MEUR. • Planned guarantee portfolio - 240 MEUR. <p>PURPOSE: For economic operator that is economically viable and the credit institution has concluded that liquidity support is required as a result of the impact of COVID-19.</p>

TARGET GROUP: SMEs, large companies, agriculture and fisheries. All amoral sectors are excluded

CONDITIONS:

- Guarantee covers up to 50%.
- Max. amount for one beneficiary – 5 MEUR.
- Max. term – 2 years.
- It can be provided for:
 - new financial services for working capital loans;
 - for existing investment loans and finance lease;
 - credit holidays for investment loans and finance lease up to 2 years;
- Guarantee fee:
50% reduce for SMEs, 15% reduce for large companies according to safe harbor premiums mentioned in *Temporary Framework to support the economy in the context of the COVID-19 outbreak*.

OTHER CONDITIONS: In duly justified cases and based on a liquidity plan setting out the beneficiary's liquidity needs, the amount of the loan may be increased to cover the liquidity needs for the coming 18 months for SMEs and for the coming 12 months for large enterprises.

LIMITS OF PORTFOLIO: Max. losses 50 MEUR; max. loan portfolio -715 MEUR.

WORKING CAPITAL LOANS: Amount of public funding – 50 MEUR; total loan amount – 200 MEUR.

PURPOSE: For companies that are in a need of additional working capital as a result of Covid-19.

TARGET GROUP: SMEs, large companies, agriculture and fisheries. All amoral sectors are excluded.

CONDITIONS:

- Max. amount for one beneficiary - 1 MEUR;
- One of following factors must be fulfilled:
 - a) company must demonstrate the required liquidity needs for the next:
 - 18 months for SMEs;
 - 12 months for large companies or
 - b) The value of the loan cannot exceed the double value of total wages (including social insurance) paid by the company in 2019.
- Max. term – 3 years.
- Grace period – up to 12 months.
- Interest rate:
 - Reduced according to *Temporary Framework to support the economy in the context of the COVID-19 outbreak*.
- Significantly reduced collateral requirements taking into account company's assets.

Info as per 20/04/2020

ALTUM has developed 3 measures for companies that have been affected by the COVID-19 outbreak and are facing financial problems. **Loan guarantee scheme (individual guarantees) and subsidized loan scheme** are developed in accordance with EC Temporary Framework to support the economy in the context of the COVID-19 outbreak. Both measures have been approved by the government on 19.03.2020., amendments approved on 24.03.2020. in order to ensure compliance with EC decision on these measures:

https://ec.europa.eu/competition/elojade/isef/case_details.cfm?proc_code=3_SA_56722. Portfolio guarantee scheme is developed in accordance with de minimis regulation.

1. CREDIT GUARANTEES

25 MEUR

Will provide guarantees for banks' financial services in the indicative amount of up to EUR 400 million.

Estimated guarantee portfolio 120 MEUR.

Purpose

For company that is economically viable and the credit institution has concluded that liquidity support is required as a result of the impact of COVID-19.

Targeted group

SMEs, large companies, agriculture and fisheries.

All sectors eligible, except: weapons and ammunition,

tobacco, beverages, gambling and betting, financial and insurance activities, real estate activities, apartment buildings.

Conditions

- Guarantee covers up to 50% of the unpaid financial service.
- The amount of the loan principal does not exceed 25 % of total turnover of the undertaking in 2019, but maximum amount of guarantee does not exceed EUR 5 million for the undertaking.
- Max. term – 6 years for investment loans and finance lease; 3 years for working capital loans, including credit limits (credit lines and overdrafts).
- Can be provided for:
 - new financial services for working capital;
 - for existing for investment loans and finance lease;
 - credit holidays for investment loans and finance lease up to 2 years.
- Guarantee fee (annual): flat 0,5%, except for large companies from 4th guarantee year – 1,25%.

2. PORTFOLIO GUARANTEES for SMEs affected by the COVID-19

25 MEUR

Altum will select up to 6 banks to implement the programme.

Will provide guarantees for banks' financial services in the indicative amount of up to **EUR 315 million**.

Estimated guarantee portfolio 125 MEUR.

Purpose

For company that is economically viable and the credit institution has concluded that liquidity support is required as a result of the impact of COVID-19.

Targeted group

All sectors eligible, except those defined in the de minimis Regulation.

Conditions

Guarantee covers up to 50% of the unpaid financial service.

Maximum amount - EUR 500 000 for the undertaking.

Max. term – 6 years for investment loans and finance lease; 3 years for working capital loans, including credit limits (credit lines and overdrafts).

Can be provided for:

new financial services for working capital;

for existing for investment loans and finance lease;

Credit holidays for investment loans and finance lease at least 3 months.

Reduced interest rate of the loan – min.0.3%

Guarantee fee (annual): flat 0,3%

3. WORKING CAPITAL LOANS

50 MEUR

Will be used to issue loans in the indicative amount of 200 MEUR.

Purpose

For companies that are in a need of additional working capital as a result of Covid-19.

Targeted group

SMEs, large companies, agriculture and fisheries.

All sectors eligible, except: weapons and ammunition,

tobacco, beverages, gambling and betting, financial and insurance activities, real estate activities, apartment buildings.

Conditions

- Max. amount for one beneficiary - 1 MEUR, but the maximum amount of the loan shall not exceed one of the following:
 - 25 % of total turnover of the undertaking in 2019;
 - the double of the amount of the annual wage bill of the undertaking (including social charges) for 2019;
 - based on liquidity needs calculated for the coming 12 months.
- Max. term – 3 years.

	<ul style="list-style-type: none"> • Grace period – up to 12 months. • Reduced interest rate. <p>Reduced collateral requirements</p> <p>Elina Dlohi Elina.Dlohi@altum.lv</p>
18. GARFONDAS Lithuania	There is an increase of the guarantee limit by EUR 500 million and an extension of the guarantee provision
19. INVEGA Lithuania	Just like in case of Garfondas, there is an increase of the guarantee limit by EUR 500 million and an extension of the guarantee provision https://invega.lt/lt/informacija-verslui-del-covid-19/invegos-siuloma-pagalba-verslui/planuojamos-priemones/
20. RVO Netherlands	https://www.rvo.nl/actueel/nieuws/coronavirus-verruimde-bmkb-regeling-voor-ondernemers-versneld-open
21. BGK Poland	<p>The Minister of Finance signed an ordinance on granting by Bank Gospodarstwa Krajowego a guarantee for the repayment of loans under the de minimis aid formula for micro, small and medium-sized enterprises (SMEs).</p> <p>The amendment to the Regulation of the Minister of Finance will make it possible to cover up to 80% (up from 60%) of loans with guarantees.</p> <p>The Ministry of Finance decided to reduce the fee for such guarantees from the current 0.5% to 0%.</p> <p>https://www.gov.pl/web/finanse/ministerstwo-finansow-z-pomoca-dla-msp</p>
22. IAPMEI Portugal	https://www.iapmei.pt/Paginas/Medidas-de-apoio-as-empresas-relacionadas-com-o-im.aspx
23. SPGM Portugal	https://www.spgm.pt/pt/catalogo/linha-de-apoio-a-economia-covid-19/
24. FNGCIMM Romania	<p>FNGCIMM is currently looking at modifying the existing guarantee activity covering the existing credit lines when they have to be renewed.</p> <p>At the national level, the Romanian government has a “business” continuity plan for the situation of non-availability of the institutional staff of 10%, 30% or 50%.</p> <p>FNGCIMM encourages banks to postpone the loan payments for a period of 1 to 3 months, in order to support vulnerable beneficiaries during this period. Similarly, FNGCIMM shows flexibility regarding the extension of the period of the guarantees granted under the Governmental ‘First House Program’ as well as of credits granted to SMEs from 30 days to 90 days, without charging the guarantee fee.</p> <p>The guarantee ceiling for credit guarantees for SMEs has been increased by 5 billion lei (1.03 million euro). Depending on the financial needs of SMEs, the ceiling can be increased even further and up to 15 billion. The guarantees will be granted for loans for investments and working capital and can cover up to 90% of the loan amount. Interest is 100% subsidized. The guarantee will cover 90% of loan amounts of up to one million lei and 50% for credits of over 1 million lei.</p>

	<p>The IMM INVEST ROMANIA program is in place as of 17 April 2020 and allows SMEs significantly affected by the COVID-19 crisis to ensure their liquidity for working capital or for investments, by accessing one or more credits guaranteed by FNGCIMM on behalf of the Romanian state.</p> <p>The maximum guarantee ceiling allocated is 15 billion lei.</p> <p><u>Advantages of the IMM INVEST Romania</u></p> <ul style="list-style-type: none"> • The state can guarantee up to 90% of the value of the loans. • No interest fees, guarantee fees or other costs of granting. • Financing costs are 100% subsidized from the state budget until 31.12.2020 with the possibility to be extended. • No early repayment fees. • The maximum value of the loans is up to 10,000,000 lei for investments and up to 5,000,000 lei for working capital. <p>Simona Muresan simona.muresan@fngcimm.ro</p>
<p>25. FRC Romania</p>	<p>Nothing yet.</p> <p>Ovidiu Vajjala ovidiu.vajjala@contragarantare.ro</p>
<p>26. SEF Slovenia</p>	<p><i>a) Instruments in place:</i></p> <p>Open tenders at the moment, which allow access to liquid assets:</p> <p>(i) Guarantees for bank loans with interest rate subsidy (P1 plus 2020)</p> <p>A credit, which is secured by SEFs guarantee within this product, is more favorable for enterprises due to lower collateral requirements, lower interest rates, maturity of the credit and the possibility of a grace period for repayment of the credit as well as no extra costs for the approval of the guarantee. Enterprises that obtain a credit within this product at one of the participating banks, have the possibility of obtaining a guarantee in the framework of the three credit - guarantee lines, which include:</p> <ul style="list-style-type: none"> - the possibility to secure classic projects - the possibility to secure technologically innovative projects - the possibility to secure trade activities <p>With recent announcement for the P1 plus 2020, <u>SEF enhanced the maturity of the guaranties</u> according to the Emergency Deferral of Borrowers' Liabilities Act.</p> <p>(ii) Microcredits for problem regions (P7R 2020)</p> <p>The product allows easy and fast access to liquidity funds for enterprises in individual regions with higher unemployment and border areas.</p> <p>Microcredits represent direct credits of SEF at a favorable contractual interest rate. This kind of financing enables enterprises of specific target groups, access to favorable financing resources for financing of further growth and development, investments and current operation of the enterprise. The purpose of microcredits is an easier and simpler access to sources of financing on favorable terms of financing among which are lower collateral requirements, maturity of the credit and the possibility of a grace period for repayment of the credit as well as limitation of excessive approval procedures for the credit.</p> <p><i>b) Instruments under preparation:</i></p>

	<p>(iii) Liquidity credit (P7C)</p> <p>SEF is preparing a new Microcredit for helping SMEs, self-employed entrepreneurs and cooperatives in the time of COVID-19 crisis. It is planned to reach the amount of EUR 25 million. It will cover liquidity needs of the most vulnerable target groups of the entrepreneurs.</p> <p><i>c) Other adjustments on SEF's existing financial instruments:</i></p> <p>(iv) additional grace period for already issued guarantees</p> <p>As banks and other creditors in Slovenia must follow the Emergency Deferral of Borrowers' Liabilities Act, SEF will grant a moratorium for 12 months and prolongation of the due date of Guaranties for all microcredits, granted by commercial banks, that are already covered with the SEF's guarantee.</p> <p>(v) additional grace period for already issued microcredits</p> <p>SEF will grant a moratorium for 12 months and prolongation of the due date for all microcredits, where customers are facing troubles because of COVID-19. The prolongation will be granted for the same period as the moratorium.</p> <p>Please, note that the abovementioned instruments are subject of completion.</p> <p>Natalija Muršič Tomažič, +386 2 2341 285 natalija.mursic.tomazic@podjetniskisklad.si</p>
<p>27. CESGAR Spain</p>	<p>https://www.rtve.es/noticias/20200310/union-europea-creara-fondo-respuesta-coronavirus-hasta-25000-millones-euros/2008441.shtml</p> <p>https://www.rtve.es/noticias/20200310/gobierno-medidas-coronavirus-empleo-pymes/2008200.shtml</p> <p>They are internally considering an action plan that in the case of the Spanish Government and related to the guarantee institutions could entail increasing the counter guarantee coverage rate for working capital from the current 50%.</p> <p>One more action refers to the extension of the maximum duration of revolving credit lines that is now capped to 3 years for InnovFin and 5 years for COSME.</p> <p>The Mutual guarantee societies are having a special line of support offered by CERSA, which improves the financial conditions by giving a special counter-guarantee coverage of 75% to all guarantee operations, for a period of 2 years or longer.</p> <p>Ana Vizcaino avizcaino@cersa-sme.es</p> <p>Marta Cea marta@cesgar.es</p>
<p>28. KGF Turkey</p>	<p>Doubling the Credit Guarantee Fund limit from TL 25 billion (USD 3.85 billion) to TL 50 billion (USD 7.7 billion) billion and provide it to SMEs and companies with liquidity needs and collateral deficit. The aim is to encourage the introduction of loan packages for social purposes under favorable and advantageous conditions for SMEs.</p>
<p>29. BBB UK</p>	<p>https://www.british-business-bank.co.uk/ourpartners/supporting-business-loans-enterprise-finance-guarantee/</p>

BBB launched the Coronavirus Business Interruption Loan Scheme (CBILS) - a new scheme that can provide facilities of up to £5m for smaller businesses across the UK who are experiencing lost or deferred revenues, leading to disruptions to their cashflow.

CBILS supports a wide range of business finance products, including term loans, overdrafts, invoice finance and asset finance. The scheme provides the lender with a government-backed guarantee potentially enabling a 'no' credit decision from a lender to become a 'yes'. The borrower always remains 100% liable for the debt.

CBILS: KEY FEATURES

Up to £5m facility: The maximum value of a facility provided under the scheme will be £5m, available on repayment terms of up to six years.

80% guarantee: The scheme provides the lender with a government-backed, partial guarantee (80%) against the outstanding facility balance, subject to an overall cap per lender.

No guarantee fee for SMEs to access the scheme: No fee for smaller businesses. Lenders will pay a fee to access the scheme.

Interest and fees paid by Government for 12 months: The Government will make a Business Interruption Payment to cover the first 12 months of interest payments and any lender-levied fees, so smaller businesses will benefit from no upfront costs and lower initial repayments.

Finance terms: Finance terms are up to six years for term loans and asset finance facilities. For overdrafts and invoice finance facilities, terms will be up to three years.

Security: At the discretion of the lender, the scheme may be used for unsecured lending for facilities of £250,000 and under. For facilities above £250,000, the lender must establish a lack or absence of security prior to businesses using CBILS. If the lender can offer finance on normal commercial terms without the need to make use of the scheme, they will do so.

The borrower always remains 100% liable for the debt.

<https://www.british-business-bank.co.uk/ourpartners/coronavirus-business-interruption-loan-scheme-cbils/>

CBILS has been significantly expanded along with changes to the scheme's features and eligibility criteria. The changes mean even more smaller businesses across the UK impacted by the coronavirus crisis can access the funding they need.

Importantly, access to the scheme has been opened up to those smaller businesses who would have previously met the requirements for a commercial facility but would not have been eligible for CBILS. Insufficient security is no longer a condition to access the scheme.

This significantly increases the number of businesses eligible for the scheme. The expanded scheme will be operational with lenders from Monday 6 April 2020.

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About us

The 48 members of the **European Association of Guarantee Institutions (AECM)** are operating in 29 countries in Europe. They are either private sector guarantee schemes or public promotional institutions or banks. Their mission is to support SMEs in getting access to finance. They provide guarantees to SMEs that have an economically sound project but do not dispose of sufficient bankable collateral. AECM's members operate with counter-guarantees from regional, national and European level. At the end of 2018 AECM's members had more than EUR 112 billion of guarantee volume in portfolio, thereby granting guarantees to almost EUR 3 million SMEs. AECM's members are by far the most important counterparts of the EIF concerning EU counter-guarantees, handling EU guarantees from the very beginning in 1998.

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