

Please find below VDB press release on the expansion of SME promotion with guarantee banks by the Federal and regional governments.

PRESS RELEASE

The Federal and regional governments considerably expand their support for small and medium-sized enterprises with guarantee banks

In order to adequately support small and medium-sized enterprises in the tasks ahead and in obtaining the necessary financing, the Federal Government and the Länder will strengthen the promotion options via the guarantee banks and SME investment companies (Mittelständische Beteiligungsgesellschaften) from 2023 onwards.

"The increase and improvement of guarantees and equity financing serves to provide stronger support for transformation projects, for which higher financing volumes are needed than in the past. In addition, the capital requirements of business transfers, which are particularly important for structural change, have been increasing for years. That is why these are very important measures," explains Michael Kellner, Parliamentary State Secretary at the Federal Ministry of Economics and Climate Protection and Federal Government Commissioner for SMEs.

Guarantees of up to 2 million euros possible

Guarantee banks will be able to provide guarantees of up to two million euros for borrowers and lessees from 1 January 2023. Previously, the limit was 1.25 million euros. In parallel, the Mittelständische Beteiligungsgesellschaften (SME investment companies) will then generally be able to provide support with up to 1.5 million euros in equity capital instead of the previous one million euros. In addition to the significant increase in the guarantee and equity participation ceilings, a number of simplifications were agreed upon that will lead to more efficiency and faster decisions.

"As self-help organisations of the economy for the economy, the guarantee banks enable small and medium-sized enterprises in the state to cope with challenging transition processes by providing access to precisely tailored financing. With the significant expansion of the upper limits, companies now have planning security that financing can also be provided for larger project sums through the promotional instruments of guarantees and equity capital," says Guy Selbherr, Chairman of the German AECM member VDB (Association of German Guarantee Banks).

By improving counter-guarantees and counter-guarantee declarations, the Federal and the regional governments, in cooperation with the guarantee banks, are supporting SMEs in overcoming current challenges and promoting the transformation of the economy.

Background to the counter-guarantee and counter-guarantee declarations of the Federal and the regional governments

Since the early 1950s, the guarantee instrument has made an important contribution to building a strong SME sector in Germany. Every five years, the framework conditions of the corresponding agreements between the Federal Government, the regional governments and the guarantee banks are revised. With the counter-guarantees and counter-guarantee declarations valid for the coming funding period from 1 January 2023 to 31 December 2027, a good basis has been created for providing the best possible support to small and medium-sized enterprises and their employees.

Link to the news: <https://vdb.ermoeglicher.de/aktuelles/presse/bund-laender-weiten-mittelstandsfoerderung-mit-buergschaftsbanken-erheblich-aus/>