



## **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)**

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| <p><b>1. aws<br/>Austria</b></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"><li>• Up to 80% of a loan of up to EUR 2.5 million per SME.</li><li>• Guarantee period max. 5 years</li><li>• Processing fee: starting with 0.25 % of the amount to be financed, one-time fee</li><li>• Guarantee fee: starting with 0.3 % p.a. (variable to risk) of outstanding liability</li></ul> <p>What cannot be supported?</p> <p>Short-term loan financing (less than 6 months) is excluded from a guarantee.</p> <p><a href="https://www.aws.at/aws-garantie/ueberbrueckungsgarantie/">https://www.aws.at/aws-garantie/ueberbrueckungsgarantie/</a></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"><li>- Waiver of the charging of handling and guarantee fees</li><li>- No planning calculations or business plans required</li><li>- No loan collateral required</li><li>- Freelance activities are now eligible for guarantee</li><li>- Guarantees can also be used to defer existing credit lines</li><li>- A fast-track procedure will be introduced to enable guarantees to be given immediately.</li></ul> <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><a href="https://www.aws.at/aws-garantie/ueberbrueckungsgarantie/">https://www.aws.at/aws-garantie/ueberbrueckungsgarantie/</a></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<br/>K.Leutgeb@aws.at</p> |
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| <p><b>2. NÖBEG Austria</b></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:<br/>(Telephone: 02742/9000-19335; email: <a href="mailto:stabilisierung@noebeg.at">stabilisierung@noebeg.at</a>)</p> <p>An initial response will be given within 24 hours.</p> <p>Applications can be submitted directly via the homepage <a href="http://www.noebeg.at">www.noebeg.at</a></p> |
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| <p><b>3. SOWALFIN Belgium</b></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>Two different guarantee schemes under Corona SME:</p> <ul style="list-style-type: none"> <li>• De minimis : max 1.500.000 – guarantee capacity 60 million decided by the government up to now</li> <li>• Under the TF, notification approved on 30 April (valid until 30/09/20) - double the total annual gross wage bill 2019 or 25% of the total turnover 2019 or, if properly justified, the liquidity requirement for the next eighteen months – guarantee capacity 180 millions</li> </ul> <p>Fast track procedure : response within 6 working days to the banks</p> <p>From 20 march to 8 may : 20,3 million guarantees covering 35,3 million loans</p> <p>Besides that, notified regime also obtained for big companies and companies in « turnaround situations » – guarantee capacity : 350 million (managed by SRIW and SOGEPA)</p> <p>Viviane MOL<br/>vmol@sowalfin.be</p> |
| <p><b>4. PMV/z-Waarborgen nv Belgium</b></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><a href="https://www.demorgen.be/nieuws/dit-zijn-de-ondersteunende-maatregelen-van-de-vlaamse-regering~b4d1066c/">https://www.demorgen.be/nieuws/dit-zijn-de-ondersteunende-maatregelen-van-de-vlaamse-regering~b4d1066c/</a></p> <p><b>PMV'S FINANCIAL ARSENAL SUPPORTS COMPANIES AGAINST THE IMPACT OF THE CORONA VIRUS:</b></p> <ul style="list-style-type: none"> <li>• <b>GUARANTEE CAPACITY OF 3.4 BILLION</b></li> </ul> <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</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |

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.

- **CORONA CRISIS GUARANTEE**

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.

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.

Moreover, the cost of the guarantee for the entrepreneur is halved: with the crisis guarantee, this goes to 0.25%.

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.

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.

More information about the Corona crisis guarantee and how to apply for it [can](#) be found here.

- **GUARANTEE CAPACITY OF 3 BILLION EUROS VIA GIGARANT**

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

- **SUBORDINATED LOANS**
- **SUSPENSION OF REPAYMENT FOR 860 SMES**
- **FINANCIAL ASSISTANCE TO COMPANIES**

You can find more information about the measure [on the PMV / z site](#)

The cost of the guarantee for the entrepreneur is halved: with the crisis guarantee, this goes to 0.25%

Additional measures taken by PMW:

- Increased guarantee capacity with 3,4 billion euro;
- Launched additional program for subordinated loans of 250 million euro;
- Offers deferred payment on existing loans of 3 months;
- Offers financial assistance.

Since May 5, PMV started the implementation of a EUR 250m 'corona' loan program, with the following characteristics:

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|                                      | <ul style="list-style-type: none"> <li>- Subordinated loan with a 3-year duration, for a min. amount of EUR 25k, and a max. amount of EUR 2m (up to EUR 3,5m in case of co-financing)</li> <li>- For Loans under EUR 800k: no limitations regarding convertibility or max. loan size</li> <li>- For loans above EUR 800k: loan amount limited by the larger of 100% of personnel cost and 12,5% of revenues</li> <li>- Repayment modalities             <ol style="list-style-type: none"> <li>1. For start-ups and scale-ups: entirely repayable at maturity date (bullet loan)</li> <li>2. For other SME's and independent workers: grace-period of 24 months or entirely repayable at maturity date (the latter only in case of valid argumentation)</li> </ol> </li> <li>- Interest repayment modalities             <ol style="list-style-type: none"> <li>1. For start-ups and scale-ups:                 <ul style="list-style-type: none"> <li>▪ For a first loan tranche up to EUR 800k: a deferred interest of 5% payable at maturity date, and including a conversion right at a 25% discount on the share price of a new equity investment or exit</li> <li>▪ For the loan tranche above EUR 800k: a deferred interest of 6% payable at maturity date</li> </ul> </li> <li>2. For other SME's and independent workers: a deferred interest of 4,5% payable at maturity date</li> </ol> </li> </ul> <p>The full details of the loan scheme have been announced on PMV's website, <a href="https://www.pmv.eu/nl/maatregelen-van-pmv-tegen-de-impact-van-het-coronavirus">https://www.pmv.eu/nl/maatregelen-van-pmv-tegen-de-impact-van-het-coronavirus</a></p> <p>Peter Sleenckx<br/>Peter.Sleenckx@pmv.eu</p> |
| <p><b>5. HAMAG-BICRO Croatia</b></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"> <li>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.</li> <li>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).</li> </ol>                                                                                                                                                                                                                                                                                                                                                                                                                                               |

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|                                               | <ol style="list-style-type: none"> <li>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%.</li> <li>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.</li> <li>5. Stronger promotion of HAMAG-BICRO's ESIF Limited Guarantee Portfolio Guarantees up to EUR 150,000 for working capital through 10 financial institutions.</li> <li>6. Establishment of a new financial instrument "COVID-19 Loans / Loans" for working capital for SMEs.</li> <li>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.</li> <li>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.</li> <li>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.</li> </ol> <p><a href="https://hamagbicro.hr/mjere-hamag-bicro-a-za-pomoc-mikro-malim-i-srednjim-poduzetnicima-uslijed-pandemije-uzrokovane-koronavirusom/">https://hamagbicro.hr/mjere-hamag-bicro-a-za-pomoc-mikro-malim-i-srednjim-poduzetnicima-uslijed-pandemije-uzrokovane-koronavirusom/</a></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><b>Marijana Barsic Barun</b><br/> <b><a href="mailto:Marijana.BarsicBarun@hamagbicro.hr">Marijana.BarsicBarun@hamagbicro.hr</a></b></p> |
| <p><b>6. CMZRB<br/>Czech<br/>Republic</b></p> | <p>Instruments in place</p> <p>a) <b>COVID I</b><br/> <b>Type: loan program</b> (working capital loan up to 90% of eligible expenses)<br/> Announced: 9 March 2020<br/> Start: 16 March 2020<br/> Source of financing: state budget<br/> Target group: SMEs<br/> Interest rate: 0 % p. a.<br/> Loan amount: EUR 20,000 – 600,000<br/> Parameters: 2-year maturity, grace period up to 1 year<br/> Allocation: 200 million EUR - promised (in fact planned 40 million €)<br/> State aid regime: de minimis<br/> End: 20 March 2020 due to high demand<br/> Demand: 3,200 applications submitted during 5 working days in the amount of € 370m – accepted volume should be “only” those promised 40million €. It means 200 accepted and approved applications in the volume of EUR 40m</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |



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|                                 | <p><b>COVID II</b><br/> <b>Type: guarantee program</b> (quasi-portfolio guarantee for working capital loans)<br/> Announced: 20 March 2020<br/> Start: 30 March 2020 (applications accepted since 2 April 2020)<br/> Source of financing: ESIF funds (Operational Programme Enterprise and Innovation for Competitiveness, within the framework of existing guarantee program EXPANSION – GUARANTEES)<br/> Target group: SMEs except the Capital City of Prague<br/> Guarantee fee: no<br/> Loan amount: up to EUR 600,000<br/> Guarantee period: 3 years<br/> Interest rate subsidy for the commercial loan: up to EUR 40 000<br/> Allocation: 200 million EUR<br/> State aid regime: de minimis<br/> End: 3 April 2020 due to high demand<br/> Demand: 5,900 applications submitted during 2 working days in the amount of € 700m<br/> Currently, 354 applications accepted and approved in the amount of EUR 132 million guaranteed loans</p> <p><b>COVID PRAGUE</b><br/> <b>Type: guarantee program</b> (quasi-portfolio guarantee for working capital loans)<br/> Announced: 16 April 2020<br/> Start: 20 April 2020 (applications accepted since 21 April 2020) - End: 21 April 2020 due to high demand<br/> Demand: 400 applications submitted during 1 working day in the amount of € 60m<br/> <b>Allocation of the programme: 24 million EUR</b> – this allocation means that COVID PRAGUE call had to be stopped in 10 minutes (!)<br/> Source of financing: ESIF funds (Operational Programme Prague - Growth Pole of the Czech Republic)<br/> Target group: SMEs in the Capital City of Prague<br/> Guarantee fee: no<br/> Loan amount: up to EUR 600,000<br/> Guarantee period: 3 years<br/> Interest rate subsidy for the commercial loan: up to EUR 40 000<br/> State aid regime: de minimis</p> <p>Petr Krupa<br/> KRUPA@cmzrb.cz</p> |
| <p><b>7. Denmark</b></p>        | <p><a href="https://ec.europa.eu/commission/presscorner/detail/en/ip_20_454">https://ec.europa.eu/commission/presscorner/detail/en/ip_20_454</a></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <p><b>8. KredEx Estonia</b></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><a href="https://www.kredex.ee/en/node/2006">https://www.kredex.ee/en/node/2006</a></p> <p><b>Instruments in place</b></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>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |

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|                                   | <p>More info: <a href="https://www.kredex.ee/sites/default/files/2020-04/erakorraline_proportsionaalne_kaendus_uutele_laenudele_eng.pdf">https://www.kredex.ee/sites/default/files/2020-04/erakorraline_proportsionaalne_kaendus_uutele_laenudele_eng.pdf</a></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: <a href="https://www.kredex.ee/sites/default/files/2020-04/erakorraline_proportsionaalne_kaendus_olemasoelvatele_laenudele_eng.pdf">https://www.kredex.ee/sites/default/files/2020-04/erakorraline_proportsionaalne_kaendus_olemasoelvatele_laenudele_eng.pdf</a></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: <a href="https://www.kredex.ee/sites/default/files/2020-04/erakorraline_fikseeritud_kaendus_olemasolevatele_laenudele_eng.pdf">https://www.kredex.ee/sites/default/files/2020-04/erakorraline_fikseeritud_kaendus_olemasolevatele_laenudele_eng.pdf</a></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: <a href="https://www.kredex.ee/sites/default/files/2020-04/erakorraline_otselaen_eng.pdf">https://www.kredex.ee/sites/default/files/2020-04/erakorraline_otselaen_eng.pdf</a></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><a href="https://www.kredex.ee/en/node/2006">https://www.kredex.ee/en/node/2006</a></p> |
| <p><b>9. Finnvera Finland</b></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>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |

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|                                  | <p>1. Contact your bank as early as possible.</p> <p>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</p> <p>3. Finnvera provides the guarantee to facilitate the working capital granted by the bank.</p> <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 SME Guarantee can be used for working capital needs caused by the pandemic. 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>When the finance need caused by Corona-virus is over EUR 150 000 – max. 1 MEUR and Start or SME Guarantees are not possible to be granted according to the criteria, Finnvera is able to provide Finnvera Guarantee Fast track, which is also 80% guarantee for lender bank. Fast track is a leaned handling process, where Finnvera is also able to provide the fast guarantee decision and agreements to the lender bank.</p> <p>Finnvera will use the possibilities of the Temporary Framework, eg. 90 percent guarantee rate, with consideration. Finnvera also cooperates actively with all other public and private finance actors in this challenging occasion and follows the market demand.</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><b>Kari Villikka</b><br/> <b>Kari.Villikka@finnvera.fi</b></p> |
| <p><b>10. EDC<br/>France</b></p> | <p>EDC is looking at granting 6 months deferral on reimbursement of the loan in agreement with the banks.</p> <p>EDC has extended guarantees for the suppliers of his clients (convenience store). These extensions cover about 30 millions euros and will secure their business.</p> <p><b>Yvan PARROT</b><br/> <b>Yvan.PARROT@eurocaution.net</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

## 11. Bpifrance France

### Accompaniment measures:

- Bpifrance clients: to be called directly by our business developers
- Accelerated companies: our support teams will help the 1,500 to manage the crisis and in particular the cash position.
- All companies: creation of a hotline plus  
Bpifrance.fr specific site as a backup in case of saturation of telephone lines.
- a communication campaign, around our toll-free number (started beginning of March already).



### Guarantee scheme, Bpifrance being operator for the State:

- The Government is implementing an exceptional guarantee scheme up to 300 billion euros (called the 'Prêt garanti par l'Etat' PGE-Loan guaranteed by the State) to support bank loans for businesses (all sizes).

This guarantee is provided by Bpifrance to banks that grant those 90% state-guaranteed loans.

- Bpifrance is also providing this loan directly to its clients (potentially 80000) with the same State guarantee, from beginning of May.

### Financement activities are focused on Bpifrance's clients mainly with 2 loans:

- 2 Unsecured loans, "**Prêt Rebond**" and "**Prêt Atout**", from 10,000 to 5 million euros for SMEs, and up to 30 million euros for mid-caps, over 3 to 5 years, with a significant delay in repayment.
- The "Prêt Rebond" is available in the Regions were guaranteed directly by them, and Bpifrance makes it accessible via a digital platform together with a fintech company Younited.
- Bpifrance also adapted its **Creative Industries Loan** from 50 K€ to 2 M€ to strengthen the Financial Structure of this sector's companies (fashion, luxury goods, culture, music, publishing, audiovisual, design...) and the exceptional increase in Working Capital Requirement due to the economic CV 19 situation.
- The "**Tourism Loan**" provided by Bpifrance, was increased (in the context of the Tourism Relaunch Plan) from 100M€ to 1Md€. 500 M€ will be invested by Bpifrance in equity and quasi-equity in companies of the sector, 500M€ for loans. It is intended for the tourism sector as a whole (hotel, catering, museum, entertainment facilities...). It finances from 50K€ to 1M €, now extended to 2M€, and up to 10 years, tangible and intangible assets and cash requirements or exceptional increases in working capital requirements due to the economic situation and the impact of the crisis on the Group's financial position. There will

also be a strong accompaniment measures for up to 1500 entrepreneurs in this sector (coaching, acceleration).

Bpifrance also helps to maintain cash in the companies with the following **cash measures**:

**Direct Cash measures:**

- Bpifrance returns security deposits to its clients.
- We guarantee the confirmed credit lines at 90% on our cash strengthening fund.
- Bpifrance can mobilize the invoices on public and private markets for customers holding an Advance + line (treasury advance) plus we offer an additional cash credit of up to 30% of the Advance (unsecured) + credit authorization already open.

**Indirect:** Bpifrance suspends the payment of the installments of its loans granted as of March 16.

Concerning Investments, measures have been taken or are in discussion:

**Direct Investment**

- Bpifrance will strengthen the equity capital of French start-ups and SMEs with the launch of two vehicles: the "Fund for the reinforcement of SMEs" endowed with nearly €100 million, and the "French Tech Bridge", a €80 million pocket for start-ups expected to raise funds in the coming months.

This financing, which may range from €100,000 to €5 million, takes the form of Convertible Bonds, with possible access to capital, and must be co-financed by private investors.

**Indirect investments.** - Concerning Fund of Funds' investments: no more Fund size requirement, and possibility to increase the control ratios

**Innovation**

- Bpifrance will manage the 80 M€ envelope to finance the bridge between two fundraising events.
- Loan Guaranteed by the State: start-ups and innovative enterprises may also benefit from the general support measures of the state-guaranteed loan where appropriate
- Bpifrance and Ademe automatically accelerate the payment of PIA (Investment for the future European Program) innovation aid, by paying in advance the instalments not yet distributed for applications that have already been validated.

-In addition, Bpifrance will continue to support innovative companies with an envelope of nearly 1.3 billion euros of innovation aid (grants, repayable advances, loans, etc.) planned for 2020, which is being maintained.

**Launch of 2 calls for proposals concerning covid 19 topics:**

- Call for proposals for collaborative R&D project and therapeutics development: <https://presse.bpifrance.fr/programme-dinvestissements-davenir-un-appel-a-projets-pour-developper-des-solutions-therapeutiques-preventives-ou-curatives-contre-le-covid-19nbsp/>

- Call for proposals for emergency technologies (health topic under a wider call): <https://www.bpifrance.fr/A-la-une/Appels-a-projets-concours/Appel-a-projets-Concours-d-innovation-i-Nov-38041>

### **Export support measures**

4 exceptional support measures concerning Bpifrance as an Export Credit agency:

- **Strengthen the export guarantee and pre-financing system** ; the export Credit Agency Bpifrance will cover (in name of the State), for the entire duration of the Covid-19 epidemic, the credit institutions up to 90% of the guarantees issued and declared (export guarantee insurance) or the pre-financing set up (pre-financing guarantee) - compared with 80% previously. This concerns SMEs and mid-caps. For the other companies, the insurance may be covered up to 70%, compared to 50% previously.

#### **- Enlargement of the short-term export credit reinsurance scheme**

The State will reinsure, via Bpifrance Export Credit Agency, private insurers to support the credit insurance market on short-term export receivables (less than 2 years), with two levels of coverage: in addition to the cover offered by private insurance, or to enable coverage to be maintained on customers who are more difficult to insure.

This scheme will be valid for a wide range of export destinations (beyond the 17 currently covered), including European Union States and OECD members.

#### **- Extension of the prospecting period covered by prospecting insurance by one year**

Companies that have taken out a current prospecting insurance policy will benefit from an additional year of insured prospecting (3 years of prospecting for 2-year contracts, 4 years of prospecting for 3-year contracts). Bpifrance Export Credit Agency will take in charge.

#### **- Inform and support SMEs and midcaps in the context of the Covid-19 epidemic**

The operators of Team France Export (Business France and the Chambers of Commerce and Industry, Bpifrance), in conjunction with the regions and the network of foreign trade advisors, are launching a new free information offer available to all companies on the development of foreign markets, accessible on [www.teamfrance-export.fr](http://www.teamfrance-export.fr) and [www.businessfrance.fr](http://www.businessfrance.fr).

A programme of geographical, sectorial and thematic information webinars, the first of which will take place from 31 March (Asia zone), then on 3 April (PMO zone - Africa), 7 April (Europe) and 9 April (Americas), will continue over the coming weeks, bringing together the public and private partners of Team France Export on each theme.

### **Conclusion:**

- The objective is that together with our banking partners, we are going to build a massive working capital bridge for the French economy.
- For Startups and together with private investors and with the whole ecosystem of Innovation in France, the aim is to build an equity capital bridge and maintain the high level of innovation and creativity for startups.
- Export measures will be operated via Bpifrance Assurance Export as the French Export Credit Agency.
- With the support of the "Team France Export", the Regions and the network of Private Partners dedicated to Export activities.

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|                                    | <p><b>CDC &amp; Bpifrance Tourism Plan:</b></p> <ul style="list-style-type: none"> <li>• 3.6 billion euros to be mobilised until 2023 by the Banque des Territoires (CDC) and Bpifrance for the tourism sector.</li> <li>• In order to simplify access to the various State measures, Bpifrance and the Banque des Territoires will launch a single digital interface to be a unique counter.</li> <li>• The Banque des Territoires is mobilising 1.7 billion euros in cash, equity and debt to support the development and the strengthening for the tourism sector. This will start soon and shall last until the hosting of the Olympic Games in 2024 and the Rugby World Cup in 2023: <ul style="list-style-type: none"> <li>○ 800 million euros in equity to support the sector with a strong sustainable and digital dimension and to support Tourism operators (local authorities, semi-public companies, landowners) through real estate and tourism infrastructures. The actions of the Banque des Territoires will mainly be subject to conditions aimed to strengthen the commitment to sustainable development and greater integration of digital technology in order to help boost the competitiveness of the sector.</li> <li>○ 700 million euros of very long-term debt to support the recalibration of the offer, in addition to equity investments. Precisely, €500 million in direct loans will be mobilised for very long-term lines to supplement the commercial tranches in "direct" loans; "soft loans" or guarantees to banks to provide long-term debt on tourism investments (€200 million).</li> </ul> </li> <li>• Support for territories to define sustainable destination strategies: This support will result in the deployment of €21 million in additional engineering credits, notably through the strengthening of the Banque des Territoires engineering department, in conjunction with local authorities and France Tourisme ingénierie, the tool run by Atout France.</li> <li>• The Banque des Territoires will launch a platform to enhance the value of the French tourism offer in the first half of 2021. To that extend, the Banque des Territoires, in cooperation with the Directorate General for Enterprises, the Interministerial Directorate for Digital Technology and Atout France, will set up a TourismeHub platform to promote data relating to the French tourism offer.</li> <li>• €170 million will be used to defer the rent payments for 3 to 6 months, granted to the companies in its portfolio.</li> <li>• A budget of €93 million shall enable the deployment of a €230 million cash support for VSEs (very small enterprises), through the implementation of regional "resilience" emergency funds, in conjunction with the French regions and local authorities.</li> </ul> <p>Marie-Claude TAILLANDIER THOMAS<br/> <a href="mailto:mc.taillandierthomas@bpifrance.fr">mc.taillandierthomas@bpifrance.fr</a></p> |
| <p><b>12. SIAGI<br/>France</b></p> | <p>As a partner of all French banks SIAGI decided to:</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

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|                                         | <ul style="list-style-type: none"> <li>• guarantee the suspension of all the payments of existing loans (capital + interests) during a 6 month period to be extended if necessary</li> <li>• guarantee 2 to 7 year loans granted by banks up to 70%</li> </ul> <p>Michel COTTET<br/>mcottet@siagi.fr</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <p><b>13. VDB<br/>Germany</b></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"> <li>- Increase of the guarantee ceiling to EUR 2.5 million (previously EUR 1.25 million)</li> <li>- higher risk assumption by the Federal Government through an increase in the counter-guarantee</li> <li>- and various measures to speed up decision-making</li> </ul> <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><a href="https://vdb-info.de/aktuelles/pressemitteilungen/corona-krise-buergschaftsbanken-erweitern-unterstuetzung-von-kmu">https://vdb-info.de/aktuelles/pressemitteilungen/corona-krise-buergschaftsbanken-erweitern-unterstuetzung-von-kmu</a></p>                                                                                                                                                                                                                                                                                                         |
| <p><b>14. Garantiqa<br/>Hungary</b></p> | <p>Garantiqa runs the so-called Garantiqa Crisis Guarantee Program. Under the Program, domestic SMEs and large companies can obtain funds with a 90% state guarantee to ensure their liquidity.</p> <p>The program, announced in the first round by the end of the year, aims to help non-financial companies in difficulty due to the economic processes associated with the spread of the COVID-19 virus in the period starting on 1 January 2020 to restore or maintain their viability. Under the program, micro, small and medium-sized enterprises, as well as large companies can use the 90% state guarantee for their overdrafts, working capital and investment loans. The new guarantee program thus contributes to solving the liquidity problems of enterprises, preserving domestic jobs, and also supports the encouragement of development activities.</p> <p>The maximum amount of loans used under the Garantiqa Crisis Guarantee Program may not exceed twice the cost of annual wages and contributions paid by the Company, or 25 percent of their 2019 sales revenue. However, in justified cases, financing may be provided to the extent of the 18-month liquidity needs of the borrowing SME or to the 12-month liquidity needs of the large borrowing company. The maximum amount of a guarantee given to one debtor can reach up to HUF 5 billion, which can be a great help even for large companies in obtaining credit.</p> <p>The terms and conditions of the state-guaranteed loan guarantee available under the Garantiqa Crisis Guarantee Program are extremely favorable: the annual fee to be paid by the borrower is 0.25-1 percent for SMEs, depending on the term, and the state fee subsidy</p> |



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|                                         | <p>for the scheme is 1 percent. The fees to be paid by large companies are twice the fees of SMEs.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <p><b>15. SBCI<br/>Ireland</b></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).<br/> <a href="https://dbei.gov.ie/Djei/en/News-And-Events/Department-News/2020/March/10032020.html">https://dbei.gov.ie/Djei/en/News-And-Events/Department-News/2020/March/10032020.html</a></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 <b>COVID-19 Business Loans</b> 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 <a href="http://microfinanceireland.ie">microfinanceireland.ie</a>. Eligibility criteria apply.</p> <p><a href="https://dbei.gov.ie/en/What-We-Do/Supports-for-SMEs/COVID-19-supports/Government-supports-to-COVID-19-impacted-businesses.html">https://dbei.gov.ie/en/What-We-Do/Supports-for-SMEs/COVID-19-supports/Government-supports-to-COVID-19-impacted-businesses.html</a></p> <p>The new <b>€450m SBCI COVID-19 Working Capital Scheme</b> for eligible businesses supports loans from €25,000 up to €1.5 million (first €500,000 unsecured) with a maximum interest rate of 4%. Applications can be made through the SBCI website at <a href="http://sbci.gov.ie">sbci.gov.ie</a>. Eligibility criteria apply.</p> <p><a href="#">SBCI COVID-19 Working Capital Scheme FAQs</a></p> <p>Brian Colgan<br/> <a href="mailto:Brian.Colgan@sbci.gov.ie">Brian.Colgan@sbci.gov.ie</a></p> |
| <p><b>16. Assoconfidi<br/>Italy</b></p> | <p>The first action taken by the Government has been done with the law called "<b>Cura Italia</b>", in which the most important measure for SMEs it was the suspension for monthly payments for all loans until the 30<sup>th</sup> of September.</p> <p><b><i>Article 56 "Financial support measures for small and medium-sized enterprises affected by the COVID epidemic19"</i></b></p> <p>The epidemic from Covid-19 is recognized as an exceptional event and serious disturbance of the economy, pursuant to article 107 of the Treaty on the functioning of the European Union and this allows to implement a series of measures to benefit of micro and SMEs.</p> <p>In particular, with reference to the debt exposures of micro small and medium-sized enterprises to banks, financial intermediaries 106 and other entities authorized to grant credit: the impossibility of revoking credit openings and loans against existing loans to date of 29.2.2020; the extension until 30.9.2020 for non-installment loans; the suspension until 30.9.2020 of the installments and installments of mortgages and other installment loans, leasing expired before that date and the repayment plan is deferred so as not to entail new or greater charges.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |

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|                                   | <p>After that, the Government put into effect another law called “<b>Liquidità</b>” which also has urgent measures regarding access to credit, in the direction of providing liquidity to businesses following the pandemic crisis due to Covid-19.</p> <p>The main reference article for the sector is art. 13 "Central Guarantee Fund for SMEs". Among the main intervention measures it is expected that, until December 31, 2020, the guarantee of the Fund will be granted:</p> <ul style="list-style-type: none"> <li>• <b>free of charge;</b></li> <li>• <b>up to 5 million</b> of maximum guaranteed amount;</li> <li>• <b>to companies with no more than 499 employees</b> and without evaluation by the Fund itself.</li> </ul> <p>As regards the hedges for any specific operation, as an exception to the current operating provisions and until 31 December 2020, we have several possible interventions:</p> <ul style="list-style-type: none"> <li>✓ <b>100% State guarantee</b>, without evaluation by the Fund, for <u>new loans</u> with a maximum duration of <b>72 months</b> with a minimum <u>pre-amortization</u> of <b>24 months</b> and an amount not exceeding 25% of the revenues of the last year and in any case up to <b>25k euros</b> granted to SMEs and individuals engaged in business, arts or professions. The operations, open to both Banks and Confidi, consider only the management and investigation costs with a maximum rate. In such cases, the intervention of the Fund is granted automatically and free of charge and the lender disburses the financing, verifying that the requirements are met, without waiting for the final outcome of the investigation by the manager of the Fund itself;</li> <li>✓ <b>Fund coverage of 90% of the direct guarantee loan (banks)</b> and up to the total of the <u>Confidi guarantee which can cover up to 90%</u> of the loan and the guarantees issued by them do not provide for the payment of a premium that takes into account the remuneration for credit risk for financial transactions up to 72 months which satisfy certain parameters for defining the total amount of financial operations;</li> <li>✓ For new loans granted to companies with revenues of up to 3.2 million and for an amount not exceeding 25% of revenues - therefore <b>up to 800k euros</b> - the possibility of reaching 100% coverage of the Loan is recognized in 2 different ways: <ul style="list-style-type: none"> <li>1) possibility of <u>cumulating for the bank the direct guarantee</u> of the Guarantee Fund to the extent of 90% with the guarantee of <u>Confidi, which would add 10% of the operation</u> on own resources, up to 100% of the loan amount (more complicated and operationally long option)</li> <li>2) by way of interpretation, the possibility was granted for <b>Confidi</b> to issue a <b>guarantee to fully cover the loan (i.e. 100% of the financial operation)</b>, with a <u>reinsurance by the Guarantee Fund of up to 90%</u> (a single reinsurance transaction, thus allowing greater efficiency and shorter implementation times due to the possibility for banks and the Fund to instruct a single file);</li> </ul> </li> <li>✓ <b>80% coverage</b> in direct guarantee (banks) and up to the total of the Confidi guarantee which can cover up to 80% of the financing for the <b>renegotiation of the beneficiary's debt</b></li> </ul> <p>As for the Guarantee Fund from the <u>17<sup>th</sup> of March up to the 12<sup>th</sup> of May</u>, they got: <b>175.458</b> operations in total for <b>€ 8.675.791.738,00</b> financing. Among these operations we have <b>149.723</b> requests for the <u>25k</u> financing for a total of <b>€ 3.150.010.950</b></p> |
| <p><b>17. ISMEA<br/>Italy</b></p> | <p>The following economic measures have been adopted:</p> <ul style="list-style-type: none"> <li>• 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.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

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|                                   | <ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• Settlement of expenses incurred by companies for work progress in simplified mode.</li> <li>• Suspension of the deadlines for the implementation of business plans whose expiry date is between 1 March 2020 and 31 July 2020.</li> <li>• Suspension until 31 July 2020 of all non-performing and certification activities pursuant to art. 13 paragraph 4-bis of Decree Law 193/2016.</li> </ul> <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"> <li>• The publication of the Notice for the installation of young people in agriculture is postponed until after July 31, 2020;</li> <li>• 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.</li> </ul> <p><a href="http://www.ismea.it/flex/cm/pages/ServeBLOB.php/L/IT/IDPagina/10983">http://www.ismea.it/flex/cm/pages/ServeBLOB.php/L/IT/IDPagina/10983</a></p> <p>Besides, ISMEA provides aid in the form of interest free loans in favour of undertakings of the agricultural and fishery sector affected by the COVID-19 outbreak under the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak.</p> <ul style="list-style-type: none"> <li>• The maximum nominal amount of loans under the scheme will not exceed EUR 30 million.</li> <li>• The final beneficiaries of the scheme are small and medium sized enterprises (SME) active in Italy in the agricultural, fishery and aquaculture sectors.</li> <li>• The amount of the loan per undertaking does not exceed EUR 30 000.</li> </ul> <p>The maximum loans' maturity is set at five years. This duration includes a grace period of 24 months.</p> |
| <p><b>18. Kosovo<br/>KCGF</b></p> | <p>KCGF together with Government of Kosovo is working on the window that will facilitate access to finance for bridging short term liquidity needs of private sector.</p> <p>This initiative is part of the Emergency Fiscal Package for fighting the impact of the COVID 19 pandemic crisis approved by the Government of Kosovo ( for detailed information about the package please follow the link: <a href="https://mf.rks-gov.net/desk/inc/media/29F8FA6F-8E46-483E-A8C1-76E47F3B2D9E.pdf">https://mf.rks-gov.net/desk/inc/media/29F8FA6F-8E46-483E-A8C1-76E47F3B2D9E.pdf</a>).</p> <p>Measure no. 10 of the Operational Plan on Emergency Financial Package, foresees a development of separate COVID 19 guarantee window.</p> <p>Related to this measure, at this stage we are part of a working group, defining the characteristics of the product and its compliance with applicable laws.</p> <p>However, the possible features of the window will be:</p> <ul style="list-style-type: none"> <li>• Uncapped guarantee,</li> <li>• Coverage ratio 80% (50% guaranteed by KCGF and 30% by Government as a co-guarantee),</li> <li>• Qualified MSME</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |

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|                                | <ul style="list-style-type: none"> <li>○ enterprises that employ up to 10 workers,</li> <li>○ private enterprises that provide basic utility services for citizens, such as; internet providers, maintenance of urban areas, transport service etc.</li> </ul> <ul style="list-style-type: none"> <li>● Loans for bridging short-term liquidity needs,</li> <li>● Maximum maturity up to 24 months, and</li> </ul> <p>Maximum loan volume up to 10K.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <p><b>19. Altum Latvia</b></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 in 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><u>INDIVIDUAL GUARANTEES:</u></p> <ul style="list-style-type: none"> <li>● Amount of public funding - 50 MEUR</li> <li>● Amount of financial services covered by the guarantee - 715 MEUR.</li> <li>● Planned guarantee portfolio - 240 MEUR.</li> </ul> <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> <p>TARGET GROUP: SMEs, large companies, agriculture and fisheries. All amoral sectors are excluded</p> <p>CONDITIONS:</p> <ul style="list-style-type: none"> <li>● Guarantee covers up to 50%.</li> <li>● Max. amount for one beneficiary – 5 MEUR.</li> <li>● Max. term – 2 years.</li> <li>● It can be provided for: <ul style="list-style-type: none"> <li>- new financial services for working capital loans;</li> <li>- for existing investment loans and finance lease;</li> <li>- credit holidays for investment loans and finance lease up to 2 years;</li> </ul> </li> <li>● Guarantee fee: <ul style="list-style-type: none"> <li>50% reduce for SMEs, 15% reduce for large companies according to safe harbor premiums mentioned in <i>Temporary Framework to support the economy in the context of the COVID-19 outbreak</i>.</li> </ul> </li> </ul> <p>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.</p> <p>LIMITS OF PORTFOLIO: Max. losses 50 MEUR; max. loan portfolio -715 MEUR.</p> <p><u>WORKING CAPITAL LOANS:</u> Amount of public funding – 50 MEUR; total loan amount – 200 MEUR.</p> <p>PURPOSE: For companies that are in a need of additional working capital as a result of Covid-19.</p> <p>TARGET GROUP: SMEs, large companies, agriculture and fisheries. All amoral sectors are excluded.</p> <p>CONDITIONS:</p> |

- 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](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**

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|                                           | <p>For companies that are in a need of additional working capital as a result of Covid-19.</p> <p><b>Targeted group</b></p> <p>SMEs, large companies, agriculture and fisheries.</p> <p>All sectors eligible, except: weapons and ammunition, tobacco, beverages, gambling and betting, financial and insurance activities, real estate activities, apartment buildings.</p> <p><b>Conditions</b></p> <ul style="list-style-type: none"> <li>• Max. amount for one beneficiary - 1 MEUR, but the maximum amount of the loan shall not exceed one of the following: <ul style="list-style-type: none"> <li>○ 25 % of total turnover of the undertaking in 2019;</li> <li>○ the double of the amount of the annual wage bill of the undertaking (including social charges) for 2019;</li> <li>○ based on liquidity needs calculated for the coming 12 months.</li> </ul> </li> <li>• Max. term – 3 years.</li> <li>• Grace period – up to 12 months.</li> <li>• Reduced interest rate.</li> </ul> <p>Reduced collateral requirements</p> <p><a href="mailto:Elina.Dlohi@altum.lv">Elina Dlohi</a><br/> <a href="mailto:Elina.Dlohi@altum.lv">Elina.Dlohi@altum.lv</a></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <p><b>20. GARFONDAS<br/>Lithuania</b></p> | <p>There is an increase of the guarantee limit by EUR 500 million and an extension of the guarantee provision</p> <p>There is an increase of the guarantee limit by EUR 500 million and an extension of the guarantee provision</p> <p>On 5 May 2020, the Ministry of Agriculture amended the rules for the reimbursement of guarantee premiums to borrowers in order to facilitate access to loans for investment projects by rural operators affected by the coronavirus (COVID-19) outbreak. According to the new rules, the recipients of guarantees provided by the Agricultural Loan Guarantee Fund UAB are compensated 100% guarantee premiums.</p> <p>In other cases, as before, 80% will be reimbursed for investment loans.</p> <p>The guarantee premium for victims of an outbreak of coronavirus (COVID-19) will be calculated on the basis of de minimis aid, the total amount of which per rural operator may not exceed in any three financial years:</p> <ul style="list-style-type: none"> <li>• EUR 20,000 when investing in the primary production of agricultural products;</li> <li>• EUR 100 000 for the carriage of goods by road for hire or reward;</li> <li>• EUR 200,000 when investing in other activities.</li> </ul> <p>The guarantee fee is not reimbursed to entities operating in rural areas that take out loans for investments that are supported under the measures of the Lithuanian Rural Development Program 2014–2020. Also, the guarantee fee is not reimbursed for those who take out loans to replenish working capital, acquire biological assets, or purchase agricultural land.</p> |

Previous decisions of the Ministry of Agriculture have also approved other measures to mitigate the effects of the coronavirus (COVID-19) pandemic (applicable to loans, leasing services with the guarantee of UAB Agricultural Agricultural Guarantee Fund):

Guarantees can also be provided for loans to pay wages and related taxes ( [»more information](#) )

Reimbursed 100% interest paid to financial institutions for investment loans, leasing services ( [»more information](#) )

Reimbursed 100% interest paid to financial institutions for loans or factoring services to replenish working capital, acquire biological assets ( [»more information](#) )

Reimbursed 100% interest paid to financial institutions on loans and leasing services to companies in the fisheries sector ( [»more information](#) )

Reimbursed 100% guarantee payments for leasing services provided by financial institutions ( [»more information](#) )

On 6 May 2020 the Government of the Republic of Lithuania has approved an amendment to the Plan of Measures to Stimulate the Impact of the Economic Stimulus and the Spread of Coronavirus (COVID-19), which increases the availability of financial services for farmers. It is planned to allocate 52 million. Eur from the state budget. It is planned to approve other support mechanisms for farmers in the near future, it is planned to allocate 160 million LTL to the food industry alone. Eur.

#### **The amount of the guarantee is increased**

It is planned to increase the amount of the guarantee that can be provided to financial institutions by the Agricultural Loan Guarantee Fund of UAB to 90%. (now 80%) and to provide guarantees for operators in difficulty in COVID-19 involved in agriculture, food, forestry, rural development and fisheries for working capital and investment loans to the entity for unsecured holdings in another financial institution. to refinance a financial obligation or to guarantee loans already granted but not guaranteed (only if the repayment of the loan is deferred and additional collateral is required).

Guarantees will be available for credits granted to entities that were not in difficulty on 31 December 2019. Such guarantees could be provided until 31/12/2020.

#### **For interest and guarantee deposit - 100 percent compensation**

It is planned to increase the amount of state aid by compensating 100% interest paid by 31 December 2020 on loans for investment and working capital granted to SMEs and large enterprises active in primary production and operating in rural areas, recognized agricultural cooperatives engaged in primary production, processing and marketing, and cooperative societies (cooperatives), engaged in the processing and marketing of agricultural products, which has been operating for no more than 2 years and where the value of agricultural products purchased from its members during the last four quarters preceding the submission of the application exceeds 50%. the value of all agricultural products purchased during this period.

It is also planned to compensate 100% guarantee premiums paid before 31/12/2020.

Reimbursement of interest and guarantee deposit 100% will increase the availability of financial services for economic entities, will reduce borrowing costs. In addition, the increase in the aid ceilings will allow interest to be reimbursed to those operators who are no longer eligible for interest compensation, as they have often been paid the maximum possible amount of de minimis aid under the current regime (EUR 20 000 - for entities engaged in primary production, EUR 200 thousand - for cooperatives)



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|                                                             | <p><b>Soft loans to replenish working capital</b></p> <p>Preferential loans to supplement working capital are provided for economic operators engaged in agriculture, food, forestry, rural development and fisheries.</p> <p>This financial instrument would enable economic entities to obtain loans on more favorable terms from credit institutions, would make it possible to borrow while ensuring the continuity of economic entities' activities, and at the same time preserving jobs and ensuring the income of employees.</p> <p>These are just some of the measures developed by the Ministry to alleviate the effects of the pandemic on agriculture.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <p><b>21. INVEGA<br/>Lithuania</b></p>                      | <p>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</p> <p><a href="https://invega.lt/lt/informacija-verslui-del-covid-19/invegos-siuloma-pagalba-verslui/planuojamos-priemones/">https://invega.lt/lt/informacija-verslui-del-covid-19/invegos-siuloma-pagalba-verslui/planuojamos-priemones/</a></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <p><b>22. Mutualité de Cautionnement<br/>Luxembourg</b></p> | <p>To help companies cope with the difficulties caused by the Covid-19 crisis, a specific guarantee in the form of a guarantee is available to companies that will need a line of credit or a bank loan. This deposit can cover up to 50% of the credit and relates to a maximum amount of EUR 250,000 per request.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <p><b>23. MDB<br/>Malta</b></p>                             | <p>The Malta Development Bank (MDB) has just launched the MDB COVID-19 Guarantee Scheme (CGS). The scheme has just been approved by the Commission under the Temporary Framework (<a href="https://ec.europa.eu/commission/presscorner/detail/en/ip_20_578">https://ec.europa.eu/commission/presscorner/detail/en/ip_20_578</a>). The Maltese Government has allocated a fund of €350 million for the MDB to develop the CGS, with the purpose of guaranteeing loans granted by commercial banks in Malta to meet new working capital requirements of businesses facing cashflow disruptions due to the effects of the COVID-19. The CGS will enable the commercial banks to leverage a portfolio of up to €777.8 million in new working capital loans to support all types of businesses in Malta.</p> <p>Eligible working capital costs under the CGS include salaries, rental costs, energy and water bills and fuel, unpaid invoices due to decrease in revenues, acquisition of material and stock for continuation of business, expenses directly related to contracts which were cancelled or postponed because of the present situation, and maintenance costs.</p> <p>Businesses of any size and type can apply for loan amounts that can go up to €5 million, depending on the size, wage bill and turnover of the applicant. Under the CGS, businesses can also benefit from improved access to liquidity, at lower interest rates and with a repayment period of up to six years. In addition, the CGS will provide the much-needed breathing space for businesses by providing a six-month moratorium on both the interest payments as well as on capital repayments. The moratorium period can be extended by the commercial banks to one year on a case by case basis.</p> <p>More information is available on the MDB website: <a href="https://mdb.org/mt/en/Schemes-and-Projects/Pages/MDB-Working-Capital-Guarantee-Scheme.aspx">https://mdb.org/mt/en/Schemes-and-Projects/Pages/MDB-Working-Capital-Guarantee-Scheme.aspx</a></p> <p>The MDB has also recently been appointed by the government to administer and implement an Interest Rate Subsidy Scheme providing a subsidy of 2.5% on all loans covered by the MDB COVID-19 Guarantee scheme. At the moment they are still in the process of consultations with the European Commission for the approval of the scheme as well as discussions with the banks on operational issues of implementing the scheme.</p> |

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| <p><b>24. RVO<br/>Netherlands</b></p> | <p><a href="https://www.rvo.nl/actueel/nieuws/coronavirus-verruimde-bmkb-regeling-voor-ondernemers-versneld-open">https://www.rvo.nl/actueel/nieuws/coronavirus-verruimde-bmkb-regeling-voor-ondernemers-versneld-open</a></p> <p>Following the launch of the MDB COVID-19 Guarantee Scheme (CGS), the MDB launched a complementary COVID-19 Interest Rate Subsidy scheme (CIRSS) as an additional measure to further soften the terms of working capital loans extended by banks under the CGS. CIRSS has been approved by the European Commission on 14 May 2020 under the Temporary Framework for State Aid measures to support the economy in the current COVID-19 outbreak. Through CIRSS, businesses benefit from a subsidy of up to 2.5% on the interest rate charged by banks during the first two years of working capital loans guaranteed by the CGS. Such subsidies are funded by Government and are expected to amount to €40 million.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <p><b>25. BGK<br/>Poland</b></p>      | <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><a href="https://www.gov.pl/web/finanse/ministerstwo-finansow-z-pomoca-dla-msp">https://www.gov.pl/web/finanse/ministerstwo-finansow-z-pomoca-dla-msp</a></p> <p><b>a) Instruments in place</b></p> <p><b>1. De minimis guarantees for SMEs:</b></p> <p>In the de minimis programmes dedicated to SMEs, <b>BGK</b> will increase the eligibility, the amounts and availability up to 80% (from 60% now) of the total value of the project/financing required. BGK will also extend duration of guarantee on working capital loans from 27 to 39 months. BGK will not charge any commission for this instrument.</p> <ul style="list-style-type: none"> <li>• Available to any company from SME sector that has so far met the criteria set out in the de minimis guarantee scheme.</li> <li>• De minimis guarantees facilitate taking a working capital or investment loan in one of twenty banks cooperating with BGK.</li> <li>• Guarantees will be granted according to changed rules until the end of 2020.</li> </ul> <p>The Ministry of Finance decided to reduce the fee for such guarantees from the current 0.5% to 0%.</p> <p><a href="https://www.gov.pl/web/finanse/ministerstwo-finansow-z-pomoca-dla-msp">https://www.gov.pl/web/finanse/ministerstwo-finansow-z-pomoca-dla-msp</a></p> <p><b>2. Businessmax guarantee:</b></p> <ul style="list-style-type: none"> <li>• The guarantee can cover revolving working capital loan (including a revolving overdraft)- guarantee is treated as a de minimis aid.</li> </ul> |

- Broader range of eligible costs (resignation from a catalog of eligible costs) and no obligation to submit an investment project plan (in the case of a guarantee constituting de minimis aid).
- BGK is expanding the potential target group - introducing an additional subjective criterion that allows eco-efficient companies to take advantage of the subjective (pro-innovative) assessment path, which will allow them to obtain working capital and investment loans not necessarily related to the environmental effect.
- 5% annual rate for calculating interest rate subsidy will be used until the end of 2021.

## **b) Instruments under preparation**

BGK is planning to offer subsidies for interests on loans.

### **3. Liquidity Guarantee Fund:**

- BGK is working on creation Liquidity Guarantee Fund, from which guarantees will be granted to medium and large companies, affected by the effects of a pandemic,
- Security up to 80% of the loan amount (guarantee amount from PLN 3,5 million to PLN 200 million),
- Only for new or renewed loans,
- Loan amount covered by the guarantee- up to PLN 250 million,
- Guarantee period- max. 27 months,
- Loan purpose- ensuring financial liquidity,
- Guarantees from the Liquidity Guarantee Fund will be granted by the end of 2020,
- Guarantee will be available to companies, that as 1<sup>st</sup> February 2020 didn't have arrears in the Social Insurance Institution (ZUS), Tax Office and Bank.

### **1. Significant changes in Loan for technological innovations**

- Extending the call for proposals in the ongoing competition until 24<sup>th</sup> June (originally 23<sup>rd</sup> April),
- Extension from 30 to 60 days of the deadline for signing a technology loan agreement,
- Extension of the deadline for providing environmental documentation from 10 to 12 months,
- Introducing remote panels (so as not to expose entrepreneurs and experts to the need to appear in panels, in person)

### **5. Program for entities of the social economy sector (EUfunds):**

- Capital repayment suspension for a period no longer than 6 months (for new loans and loans already granted, in which the repayment of capital has not yet begun),
- A maximum of 6-month credit holidays (possibility to suspend the repayment of principal or principal-interest installments).

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|                                       | <ul style="list-style-type: none"> <li>• Double interest rate reduction for a period no longer than 12 months.</li> <li>• Interest rate reduction to 0% for up to 12 months - decision to reduce made by financial intermediary.</li> <li>• Extension of the job creation period to a maximum of 12 months (additionally by 6 months - for concluded contracts and new loans concluded until 31.12.2020).</li> <li>• Extension of the loan repayment period by up to 12 months (for “Start Loan” and “Development Loan”).</li> </ul> <p><b>6. EU loans:</b></p> <ul style="list-style-type: none"> <li>• Additional 6-month suspension period for principal instalments on loans.</li> <li>• Possibility of extending the loan repayment period.</li> <li>• 4-month credit suspension of repayment of principal and interest instalments.</li> <li>• Possibility of reducing interest rates on loans.</li> <li>• No increased interest in respect of arrears arising from COVID-19 and no debt collection actions before introducing favorable changes to the contract.</li> </ul> <p><b>7. Liquidity loans for SMEs:</b></p> <ul style="list-style-type: none"> <li>• Agreement between BGK and Ministry of Development Funds and Regional Policy from Smart Growth Operational Programme,</li> <li>• No additional costs (interest subsidy),</li> <li>• No specific catalog of expenses,</li> <li>• 6 months grace period,</li> <li>• Max. amount of loan for 1 company- EUR 15 m,</li> <li>• Up to PLN 100 000 only collateral is in blanco promissory note,</li> <li>• Repayment term: up to 6 years.</li> </ul> <p><b>8. Additional facilities:</b></p> <ul style="list-style-type: none"> <li>• Suspension of loan payments for 3 months,</li> <li>• Renewal of working capital loan for 6 months.</li> </ul> <p>Electronic form of providing documents and dispositions</p> |
| <p><b>26. IAPMEI<br/>Portugal</b></p> | <p><a href="https://www.iapmei.pt/Paginas/Medidas-de-apoio-as-empresas-relacionadas-com-o-im.aspx">https://www.iapmei.pt/Paginas/Medidas-de-apoio-as-empresas-relacionadas-com-o-im.aspx</a></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <p><b>27. SPGM<br/>Portugal</b></p>   | <p><a href="https://www.spgm.pt/pt/catalogo/linha-de-apoio-a-economia-covid-19/">https://www.spgm.pt/pt/catalogo/linha-de-apoio-a-economia-covid-19/</a></p> <p>In Portugal, a first credit line of 200 million euros was launched in March as a sub-line of the already existing normal credit line used by the Guarantee Scheme, called “Capitalizar 2018”.</p> <p>In this credit line the loans are partially guaranteed by the Portuguese Mutual Guarantee Societies or MGS (Agrogarante MGS, Garval MGS, Lisgarante MGS and Norgarante MGS) and Counter guaranteed (again partially) through the National Counter guarantee Fund (FCGM), managed by SPGM.</p> <p>This extension was called “Capitalizar – Covid19” and was under the “de minimis” regulation.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |

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|                                       | <p>The very high demand resulted in an immediate increase of the global amount to 400 million euros. It was fully taken in less than 2 weeks.</p> <p>By 20 of March 2020 the Portuguese Government notified the Commission, now already under the Commission State Aid Temporary Framework for the Covid, and launched a 3 billion euros credit line for a few economic sectors. This credit line was further enlarged to 6,2 billion euros, after a second notification by the Portuguese Government during the first week of April.</p> <p>In this credit line the loans are partially (from 80% to 90%) guaranteed by the Portuguese MGS and fully Counter guaranteed by the state through the National Counter guarantee Fund (FCGM), managed by SPGM. So it is a pure public policy measure.</p> <p>This facility is the one currently under work and is generally called “Covid 19”, with some sub-lines. Again there was a huge demand and in the first 5 days after being made available to the banks by mid-April, the demand was around 40 thousand files, around 9 billion euros, thus around 4 times the annual volume of the Portuguese Mutual Guarantee Scheme in terms of loans guaranteed, 6 times the volume of guarantees and 2,5 times the total applications for 1 year.”</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <p><b>28. FNGCIMM<br/>Romania</b></p> | <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><b><u>Advantages of the IMM INVEST Romania</u></b></p> <ul style="list-style-type: none"> <li>• The state can guarantee up to 90% of the value of the loans.</li> <li>• No interest fees, guarantee fees or other costs of granting.</li> <li>• Financing costs are 100% subsidized from the state budget until 31.12.2020 with the possibility to be extended.</li> <li>• No early repayment fees.</li> <li>• 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.</li> </ul> |

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|                                    | <p>GEO no. 37/2020 on <b>granting facilities for loans granted by credit institutions and non-banking financial institutions to certain categories of debtors</b>. FNGCMM is directly involved in the financial mechanisms that will operationalize the facilities for suspending and postponing the payment of interest obligations related to mortgage loans, offered to individual debtors based on GEO no. 37/30.03.2020. The role of FNGCMM is to guarantee to the creditors the amounts representing deferred interest for payment and to take over the risk of non-fulfilment of the obligations incumbent on the debtors.</p> <p>Simona Muresan<br/>simona.muresan@fngcimm.ro</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <p><b>29. FRC<br/>Romania</b></p>  | <p>Nothing yet.</p> <p>Ovidiu Vajjala<br/>ovidiu.vajjala@contragarantare.ro</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <p><b>30. SEF<br/>Slovenia</b></p> | <p><i>a) Instruments in place:</i></p> <p>Open tenders at the moment, which allow access to liquid assets:</p> <p><b>(i) Guarantees for bank loans with interest rate subsidy (P1 plus 2020)</b></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"> <li>- the possibility to secure classic projects</li> <li>- the possibility to secure technologically innovative projects</li> <li>- the possibility got secure trade activities</li> </ul> <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><b>(ii) Microcredits for problem regions (P7R 2020)</b></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><b>(iii) Liquidity credit (P7C)</b></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> |

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|                                    | <p><i>c) Other adjustments on SEF's existing financial instruments:</i></p> <p><b>(iv) additional grace period for already issued guarantees</b></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><b>(v) additional grace period for already issued microcredits</b></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,<br/>+386 2 2341 285<br/>natalija.mursic.tomazic@podjetniskisklad.si</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <p><b>31. CESGAR<br/>Spain</b></p> | <p><a href="https://www.rtve.es/noticias/20200310/union-europea-creara-fondo-respuesta-coronavirus-hasta-25000-millones-euros/2008441.shtml">https://www.rtve.es/noticias/20200310/union-europea-creara-fondo-respuesta-coronavirus-hasta-25000-millones-euros/2008441.shtml</a></p> <p><a href="https://www.rtve.es/noticias/20200310/gobierno-medidas-coronavirus-empleo-pymes/2008200.shtml">https://www.rtve.es/noticias/20200310/gobierno-medidas-coronavirus-empleo-pymes/2008200.shtml</a></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 80% to all guarantee operations, for a period of 2 years or longer.</p> <p>The Spanish Mutual Guarantee Societies (MGS), all associated to CESGAR, receive a guarantee of 80% from Compañía Española de Reafianzamiento, CERSA, (Spanish company of counter guarantee) for eligible operations Covid-19.</p> <p>CERSA's ability to counter guarantee is expanded to € 1,500 million in 2020 thanks to the measures adopted by the Ministry of Industry, Commerce and Tourism. Thanks to this measures CERSA's solvency is going to be strengthened and CERSA will be able to improve and increase its activity.</p> <p>These are very important measures thanks to which Spanish Guarantee Societies are granting, as usual, 100% of the risk before the Financial Institutions so that the self-employed and SMEs can have the necessary liquidity to face the financial tensions generated by the COVID-19. The volume of formalization of guarantees according to the forecasts made by the SGR could exceed € 4,300 million, three times the volume of 2019. We already have an increase of around 35% in respect to April 30 of 2019.</p> <p>Mutual Guarantee Societies ,MGS, have implemented various urgent measures, in collaboration with their Autonomous Communities (Regional Governments), to mitigate the economic effects of Covid-19 health crisis on companies, SMEs and the self-employed. The MGS have launched special lines to mainly cover their liquidity needs and face the most pressing payments, they have also opened guarantee lines to offer the best financing</p> |

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|                                  | <p>solutions and adapt to the different needs of the companies that are affected by the pandemic.</p> <p>Ana Vizcaino<br/>avizcaino@cersa-sme.es</p> <p>Marta Cea<br/>marta@cesgar.es</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <p><b>32. KGF<br/>Turkey</b></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><b>33. BBB<br/>UK</b></p>     | <p><b>a) Instruments in place</b></p> <p><b>Coronavirus Business Interruption Loan Scheme (CBILS)</b></p> <ul style="list-style-type: none"> <li>• Launched on 23 March</li> <li>• For <b>smaller businesses</b> with a turnover of <b>less than £45m</b></li> <li>• <b>No guarantee fee for SMEs to access the scheme:</b> No fee for smaller businesses. Lenders will pay a fee to access the scheme.</li> <li>• <b>Interest and fees paid by Government for 12 months:</b> 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.</li> <li>• More than 40 accredited lenders, including high-street banks, challenger banks, asset-based lenders, and smaller specialist local lenders</li> <li>• A lender can provide <b>up to £5 million</b> in the form of: term loans, overdrafts, invoice finance, asset finance.</li> <li>• <b>Finance terms:</b> 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.</li> <li>• <b>80% guarantee:</b> The scheme provides the lender with a government-backed, partial guarantee (80%) against the outstanding facility balance, subject to an overall cap per lender.</li> <li>• Under the scheme, personal guarantees of any form will not be taken for facilities below £250,000. For facilities above £250,000, personal guarantees may still be required, at a lender’s discretion, but: recoveries under these are capped at a maximum of 20% of the outstanding balance of the CBILS facility after the proceeds of business assets have been applied; a Principal Private Residence (PPR) cannot be taken as security to support a personal guarantee or as security for a CBILS-backed facility</li> <li>• The borrower remains fully liable for the debt.</li> </ul> <p>Note changes to scheme operational with lenders from 6 April: 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.</p> |



Insufficient security is no longer a condition to access the scheme. This significantly increases the number of businesses eligible for the scheme.

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

### **Coronavirus Large Business Interruption Loan Scheme (CLBILS)**

- Opened Monday 20 April 2020
- For larger businesses with a turnover of more than £45m
- A lender can provide:
  - up to £25 million to businesses with turnover from £45 million up to £250 million
  - up to £50 million to businesses for those with a turnover of over £250 million
- Business loans, overdrafts, invoice finance & asset finance available
- Repayment terms of up to three years
- CLBILS gives the **lender** a government-backed partial guarantee (80%) against the outstanding balance of the facility.
- **The borrower remains fully liable for the debt.**
- Under the scheme, personal guarantees of any form will not be taken for facilities below £250,000. For facilities above £250,000, personal guarantees may still be required, but claims cannot exceed 20% of losses after all other recoveries have been applied.

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

### **b) Instruments in preparation**

#### **Future Fund to support innovative UK businesses**

- Announced Monday 20 April 2020
- Intention of launching for applications in May 2020
- Initial commitment of £250m of new government funding
- Unlocked by private investment on a match funded basis
- For businesses who typically rely on equity investment
- Government scheme developed in partnership with the British Business Bank

On 20 April the Government announced a new Future Fund to support the UK's innovative businesses currently affected by Covid-19. These businesses have been unable to access other government business support programmes, such as CBILS, because they are either pre-revenue or pre-profit and typically rely on equity investment. The scheme will deliver an initial commitment of £250m of new government funding which will be unlocked by private investment on a match funded basis.

The government scheme, which will be developed in partnership with the British Business Bank with the intention of launching for applications in May, will initially be open until the end of September. Over the coming weeks the Bank will work with government on the details on how the Future Fund will operate and how to apply for the scheme.

<https://www.british-business-bank.co.uk/ourpartners/future-fund/>

On 4 of May, BBB launched the Bounce Back Loan Scheme, targeted at smaller businesses requiring facilities between £2k and £50k. This is a very simple product with standard terms and a 100% Government guarantee.

All the details are on the [BBB's website](#).

John Carmody

[John.Carmody@british-business-bank.co.uk](mailto:John.Carmody@british-business-bank.co.uk)

### **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.

European Association of Guarantee Institutions – AECM  
Avenue d'Auderghem 22-28, bte. 10, B-1040 Brussels  
Interest Representative Register ID number: 67611102869-33