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Factsheet for case **DE-2020-13/349**

# KfW instant loan for medium-sized enterprises

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|              |   |
|--------------|---|
| Country      | Germany, applies nationwide                                 |
| Time period  | Temporary, started on 23 March 2020                         |
| Type         | Legislation or other statutory regulation                   |
| Category     | Supporting businesses to stay afloat<br>– Access to finance |
| Case created | 07 April 2020 (updated 18 April 2020)                       |

## Background information

Improved liquidity for small and medium sized companies that were not in trouble before the Corona virus outbreak. Improved conditions for receiving loans are based on the Rescue package adopted by the Federal Government in order to provide liquidity to companies during the crisis. and are also facilitated by the European Unions „Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak“. Measure is temporary but no specific timescale provided.

## Content of measure

Given certain preconditions, companies with more than 10 employees can apply for a loan (3 per cent interest rate, running time: maximum 10 years). Companies with more than 50 employees can be granted EUR 800,000. Companies with fewer than 50 employees can apply for a loan worth up to EUR 500,000. Additional risk assessment is currently not applied by the house bank or the KfW. Latter will guarantee all such loans (backed by the Federal Government's guarantee to take on all risks in the worst case). Conditions still applicable to receive such a loan are: Companies need to have entered the market at least on 1 January 2019 Companies must prove not to have been in financial difficulties before the outbreak of the viruses. This means that companies must have made a profit in 2019 (or on average over the last three years).

## Use of measure

No information to date

## Actors, target groups and funding

| Actors                                     | Target groups | Funding        |
|--|---------------|----------------|
| National government<br>Company / Companies | SMEs          | National funds |

## Social partners

|                         |                |
|-------------------------|----------------|
| Role of social partners | Not applicable |
| Form of involvement     | Unknown        |

No information available on social partner involvement

## Sectors and occupations

This case is not sector-specific.

This case is not occupation-specific.

## Sources

- 07 April 2020: KfW coronavirus aid: loans for companies ([www.kfw.de](http://www.kfw.de))