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Factsheet for case **LU-2020-12/479**

Special Anti-Crisis Financing

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Country	Luxembourg, applies nationwide
Time period	Temporary, 18 March 2020 - 31 December 2020
Type	Legislation or other statutory regulation
Category	Supporting businesses to stay afloat – Access to finance
Case created	10 April 2020 (updated 22 April 2020)

Background Information

The National Credit and Investment Company (Société Nationale de Crédit et d'Investissement, SNCI) wants to help soundly managed companies that find themselves with economic difficulties related to the COVID-19 crisis. The SNCI was born out of the steel crisis in 1977. The health crisis of the COVID-19 pandemic, is giving the Société nationale de crédit et d'investissement the opportunity to take a stand at the bedside of Luxembourg companies. SNCI is a public-law banking institution with legal personality whose capital is fully owned by the State of Luxembourg.

Legal background: Law of August 2nd 1977, Creating the SNCI, Loi du 2 août 1977 portant création d'une Société Nationale de Crédit et d'Investissement, (Mém. A - 45 du 8 août 1977

Content of measure

Special Anti-Crisis Financing can be granted to SMEs and large companies, which were not in financial difficulties before and which are encountering temporary financial difficulties as a result of exceptional financing needs caused by the crisis (Covid-19 pandemic) up to 400 million euros, corresponding to a total leverage effect of nearly 700 million euros, including bank financing. The beneficiaries shall possess a valid business permit issued by the Ministry of the Economy.

Only exceptional financing needs caused by the Covid-19 pandemic crisis are eligible. The intermediary Bank is responsible for the analysis necessary to determine and verify these exceptional financing needs and then addressed to the SNCI and which it wants to co-finance together with the SNCI.

The financing amount can be between 12.500 and 10,000,000, where the SNCI share could be 60 %, and

the intermediary Bank covers the remaining 40 %.

The SNCI's share can attain 60% of the exceptional financing need, and the remaining 40% is covered by the intermediary Bank. The duration of the financing is limited to five years, with a fixed rate regularly reviewed. The SNCI reserves the right to revise the interest rate yearly.

Repayment is made in equally distributed quarterly instalments.

A single capital repayment can repay loans which duration does not exceed 24 months at the final maturity date.

Use of measure

No information available.

Actors, target groups and funding

Actors	Target groups	Funding
Public support service providers	All companies	National funds

Social partners

Role of social partners	Not applicable
Form of involvement	Not applicable

not applicable

Sectors and occupations

This case is not sector-specific.

This case is not occupation-specific.

Sources

- 11 April 2020: Special Anti-Crisis Financing (www.snci.lu)