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Factsheet for case IT-2020-12/468

## Guarantee Fund for small and medium enterprises

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Country	Italy, applies nationwide
Time period	Temporary, 17 March 2020 - 17 December 2020
Type	Legislation or other statutory regulation
Category	Supporting businesses to stay afloat – Access to finance
Case created	10 April 2020 (updated 04 May 2020)

### Background information

Decree Law No. 18/2020 of 17 March 2020 introduces temporary exception with reference to the current operating rules of the Guarantee Fund for small and medium enterprises. This measure was undertaken in order to enhance the role of the Fund in supporting businesses affected by the effects of the Covid-19 pandemic (art. 49). The measure is taken by the government within a bundle of other measures to support businesses to stay afloat during the crisis.

### Content of measure

Art. 49 of the Decree Law strengthens the intervention capacity of the Guarantee Fund for small and medium enterprises by introducing temporary exceptions from its current operating rules. In particular, the Decree Law provides that for a period of 9 months from its entry into force:

- the guarantee is granted free of charge;
- the maximum guaranteed amount per individual company is heightened to € 5 million;
- the coverage of the guarantee is 80% (90% in case of reinsurance) on all operations of financing with a maximum guaranteed amount of up to € 1.5 million.

To finance the above measures, the Fund's allocation has increased by €1.5 billion EUR.

The eligible companies are the ones classified as small and medium enterprises according to the EU legislation, provided that they don't have, at the date of publication of the Decree Law, non-performing exposures.

## Use of measure

To finance the above measures, the Fund's allocation has increased by €1.5 billion EUR. With this additional allocation (in the case of 80% coverage of all transactions) the Fund could favor the granting of new loans for approximately €55 billion (amount that it would drop if the coverage percentages increased to 90%).

## Actors, target groups and funding

Actors	Target groups	Funding
National government	SMEs	National funds

## Social partners

Role of social partners	No involvement
Form of involvement	No involvement

Social partners were not involved in the decision making process

## Sectors and occupations

This case is not sector-specific.

This case is not occupation-specific.

## Sources

- 17 March 2020: DECRETO-LEGGE 17 marzo 2020, n. 18 ([www.normattiva.it](http://www.normattiva.it))
- 19 March 2020: DECRETO-LEGGE "CURA ITALIA" NOTA DI COMMENTO - CONFINDUSTRIA ([www.confindustria.umbria.it](http://www.confindustria.umbria.it))