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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 – Access to finance
Case created	07 April 2020 (updated 05 May 2020)

Background information

This measure improved liquidity for small and medium sized companies that were not in trouble before the COVID-19 outbreak. The new 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 EU "Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak". The measure is temporary but no specific timescale was provided.

Content of measure

Given certain preconditions, companies with more than 10 employees can apply for a loan (3% interest rate, running time: maximum 10 years). The companies with more than 50 employees can be granted €800,000. Companies with fewer than 50 employees can apply for a loan worth up to €500,000. Additional risk assessment is currently not applied by the house bank or the KfW (the German Credit Institute for Reconstruction). Latter it 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: 1) companies need to have entered the market at least on 1 January 2019; 2) companies must prove not to have been in financial difficulties before the outbreak of the viruses. This means these business must have made a profit in 2019 (or on average over the last three years).

Use of measure

No information currently available.

Actors, target groups and funding

Actors	Target groups	Funding
National government 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)