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Factsheet for case **LU-2020-12/469**

## State guarantee scheme for new bank loans for a maximum period of 6 years

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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 23 April 2020)

### Background information

Based on a draft legislation still discussed in Parliament (Projet de loi Nr 7545 visant à mettre en place un régime de garantie en faveur de l'économie luxembourgeoise dans le cadre de la pandémie Covid-19) and in order to help businesses during the crisis, new credit lines will be guaranteed at 85% by the Luxembourg government and 15% by the participating banks (for example BCEE, Raiffeisen) for loans granted during the period starting 18 March 2020 until 20 December 2020. The loans are intended as a subsidiary tool, after having resorted, where possible, to the tools of the Société nationale de crédit et d'investissement (SNCI), the Office du Ducroire or the European Investment Bank in particular.

### Content of measure

New credits for are reserved for businesses that were viable before 18 March 2020. The eligible business must contact one of the participating banks in Luxembourg to apply for a bank loan.

The maximum amount can be up to 25% of the business turnover for the year 2019. There are two pathways, depending on the size of the company:

For small and medium-sized enterprises, the guarantee premium, borne by the borrower, is set at : 0.25% for a maximum maturity of one year; 0.50% for a maximum maturity of 3 years; 1% for a maximum maturity of 6

years. For large companies, the guarantee premium, borne by the borrower, is set at: 0.50% for a maximum maturity of one year; 1% for a maximum maturity of 3 years; 2% for a maximum maturity of 6 years.

## Use of measure

As this measure is still discussed in Parliament, no data can be disclosed here.

## Actors, target groups and funding

Actors	Target groups	Funding
National government Company / Companies	All companies	National funds Other

## Social partners

Role of social partners	Consulted
Form of involvement	Other

Social partners assess the draft legislation in the course of the legislative procedure.

## Sectors and occupations

This case is not sector-specific.

This case is not occupation-specific.

## Sources

- 27 March 2020: Projet de loi Nr 7545 visant à mettre en place un régime de garantie en faveur de l'économie luxembourgeoise dans le cadre de la pandémie Covid-19 ([www.chd.lu](http://www.chd.lu))