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Factsheet for case **DK-2020-12/599**

Garantee scheme for small companies (under 250 employees)

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Country	Denmark, applies nationwide
Time period	Temporary, 19 March 2020 - 01 October 2020
Type	Legislation or other statutory regulation
Category	Supporting businesses to stay afloat – Access to finance
Case created	14 April 2020 (updated 21 April 2020)

Background information

Together with all parties of the Danish parliament, the government has passed a new guarantee scheme via Vækstfonden (the Danish state's investment fund). The new scheme has opened for small and medium-sized enterprises (SMEs) affected by the effects of COVID-19.

The guarantee scheme is part of the government's aid package for business. The government and all the parliamentary parties announced the total relief package on 19 March 2020.

Content of measure

With the scheme, the State will provide a guarantee of 70 per cent via Vækstfonden (the Danish state's investment fund) for new bank loans to companies which have suffered or expect to suffer a revenue loss of at least 30 per cent as a result of COVID-19. The scheme can support lending to small and medium-sized enterprises (less than 250 people and having an annual turnover of no more than DKK 50 million and/or a total annual balance sheet of a maximum of DKK 43 million).

The schemes are valid until 1 October 2020 and also apply to Faroese and Greenlandic companies. Companies who want to apply for a guarantee through Vækstfonden must contact their bank as the new loan is provided by their financial institution.

The guarantee has a maturity of up to 7 years, which is written down annually on a straight-line basis. The

prize consists of a foundation commission of DKK 2,500 and an annual commission of 1 per cent. of the amount guaranteed.

The scheme can support SME's for up to DKK 25 billion.

Use of measure

The number of companies that are eligible for the scheme is unknown.

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

Information about partners possible involvement is not available.

Sectors and occupations

This case is not sector-specific.

This case is not occupation-specific.

Sources

- 15 April 2020: Virksomhedsguiden.dk (virksomhedsguiden.dk)
- 15 April 2020: Vækstfonden (vf.dk)