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Factsheet for case **IE-2020-14/784**

Credit Guarantee Scheme for COVID-19

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Country	Ireland, applies nationwide
Time period	Open ended, started on 01 April 2020
Type	Legislation or other statutory regulation
Category	Supporting businesses to stay afloat – Access to finance
Case created	25 April 2020

Background Information

The purpose of the SME Credit Guarantee Scheme is to encourage additional lending to SMEs by offering a partial Government guarantee (currently 80%) to banks against losses on qualifying loans to eligible SMEs. The Credit Guarantee Scheme does not substitute for conventional lending that would otherwise have taken place.

Key features of the scheme

Facilities of €10,000 up to €1m

Terms of up to 7 years

Term Loans, Demand Loans and Performance Bonds

Content of measure

To help SMEs impacted by COVID-19 related issues to have access to sufficient working capital, the government has repurposed the Credit Guarantee Scheme (CGS) to provide counter guarantees to the banks, mitigating credit risk or need for collateral.

The Credit Guarantee Scheme can be used by businesses to obtain loans to support changes they need to make to their business in response to Covid-19.

Who can apply to the scheme?

Viable micro, small and medium sized enterprises (SMEs).

SMEs are defined by the Standard EU definition [Commission Regulation 2003/361/EC] as enterprises that:

have fewer than 250 employees

have a turnover of €50 million or less (or €43 million or less on their balance sheet)

are independent and autonomous i.e. not part of a wider group of enterprises

have less than 25% of their capital held by public bodies

is established and operating in the Republic of Ireland

A Small Mid-Cap is an enterprise that is not an SME but has fewer than 500 employees

Use of measure

No information

Actors, target groups and funding

Actors	Target groups	Funding
National government	SMEs	National funds Other

Social partners

Role of social partners	No involvement
Form of involvement	Not applicable

No involvement

Sectors and occupations

This case is not sector-specific.

This case is not occupation-specific.

Sources

- 25 April 2020: Department of Business Enterprise and Innovation (dbei.gov.ie)