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Factsheet for case **DE-2020-14/388**

Customized support for start-ups

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| | |
|--------------|-------------------------------------------------------------|
| Country | Germany, applies nationwide |
| Time period | Temporary, started on 01 April 2020 |
| Type | Legislation or other statutory regulation |
| Category | Supporting businesses to stay afloat – Access to finance |
| Case created | 08 April 2020 (updated 05 May 2020) |

Background information

The Federal Government makes additional funds available to support the start-up scene and enable them to keep their employees and continue to work on their ideas. The measure is part of the Federal Government's assistance package adopted to cushion the effects of the crisis. The rescue package also includes other changes (for the whole of the economy), such as easing tax burdens for companies improved access to loans or financial help for solo- or micro entrepreneurs.

Content of measure

The Federal Government set up a fund entirely dedicated to start-ups that usually face greater difficulties in securing finances by traditional credit instruments. The start-up booster fund is worth EUR 2 billion and seeks to expand venture capital financing. The government hopes that funding rounds for innovative start-ups will continue and start-ups will remain able to develop their ideas. Therefore, additional public funding will be made available for usage by public venture capital investors, such as the KfW Capital, the High-Tech Gründerfonds or the European Investment Fund. The general idea is that public venture capital investors will use the additional funds to fill-in for other investors that might pull out during the crisis. Small business and start-ups will also be able to profit from venture capital financing and equity replacement financing, if they do not have venture capitalists as shareholders.

Use of measure

No information to date

Actors, target groups and funding

| Actors | Target groups | Funding |
|--------------------------------------------|---------------|----------------|
| National government Company / Companies | Start-ups | National funds |

Social partners

| | |
|-------------------------|-----------|
| Role of social partners | Consulted |
| Form of involvement | Other |

German social partners are usually consulted by the Federal Government on broader measures, though no formal tripartite social dialogue structure exists in Germany at the federal level.

Sectors and occupations

This case is not sector-specific.

This case is not occupation-specific.

Sources

- 01 April 2020: Customised support for new businesses affected by the coronavirus crisis (www.bmwi.de)