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Factsheet for case **DE-2020-13/352**

## KfW entrepreneur loan

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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 18 April 2020)

### Background information

Providing financial support to companies for investments and working capital. Improved conditions for receiving loans are based on the European Unions „Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak“. This measure is part of a broader rescue package for the German economy adopted by the Federal Government at the end of March 2020. The package also includes changes in tax law, all of them directed at easing tax burdens for companies and also includes easier access to loans, start-up support or financial help for solo- or micro entrepreneurs, eased up rules for short-time work and eased up rules regards insolvency proceedings

### Content of measure

Companies in need of financial assistance due to the negative impact of the Corona outbreak can apply for loans worth up to EUR 1 billion. However, the loan sum is limited to one of the following criteria: 1. maximum of 25% of the annual turnover in 2019, 2. double the wage costs in 2019, 3. 50% of the company's total debt if the loan exceeds EUR 25 million. Interest rate for the loans are lower (between 1 and 2,12 per cent annually). Loans need to be paid back within five years. To improve companies' chances to receive such a loan, the KfW bank takes over the risks borne by the company's house bank (80% of the risks for large companies and even 90% of the risks for SMEs). Companies that have been in the market for at least three, but not five years, or companies that can provide two financial statements can also apply for loans granting the same conditions. However, in this case, companies need to apply for the ERP Start Up Loan - Universal.

## Use of measure

No information to date

## Actors, target groups and funding

Actors	Target groups	Funding
National government Company / Companies	Solo-self-employed All companies One person or microenterprises	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

- 07 April 2020: KfW coronavirus aid: loans for companies ([www.kfw.de](http://www.kfw.de))