COVID-19

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Summary of Governmental Financial Support Programmes for Businesses

1 May 2020

Private and confidential

Introduction

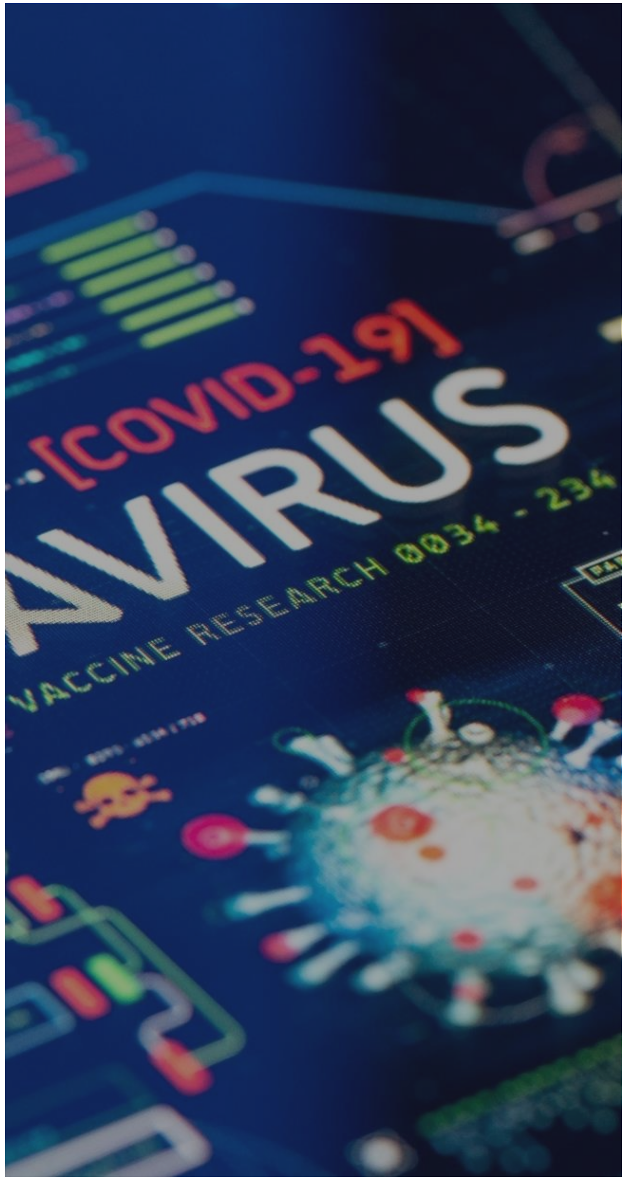
“*We have moved to a recession that will be worse than the one we experienced in 2008*”. “*Given the nature of the crisis, all hands should be on deck, all available tools should be used*”. Those were the assessments of United Nations Deputy Secretary-General Amina J. Mohammed and European Central Bank President Christine Lagarde, respectively, of the economic impact of the COVID-19 pandemic during the meeting of the World Economic Forum on 8 April 2020.

As the economic impact of the pandemic continues to unfold, governments around the world are unveiling financial support packages on a scale never seen before.

This guide provides an overview of the key measures that governments in Europe, Russia and the United States have taken to provide financial support to businesses as a response to the COVID-19 pandemic, with a focus on liquidity measures aimed at medium to large businesses. Governmental responses to the COVID-19 pandemic are rapidly evolving: new state aid schemes are being rolled out, and existing schemes refined, on a continual basis. This guide is a summary of the key measures in place (and in some cases announced but not yet available) as of 27 April 2020. It is not intended to be comprehensive and does not cover prudential action taken by regulators that is aimed specifically at the financial sector.

In producing this guide we have worked with the law firms listed on page 61, to which we would like to express our thanks for their assistance and input.

Should you require further detail on the measures described in this guide, up to date information on the latest schemes available, or assistance in accessing the relevant scheme, please contact one of the individuals on page 60 or your usual Skadden contact. You can also find further information on a range of coronavirus issues here.



Contents

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Key Liquidity Measures

	Key Features	Eligibility
Measures by COVID-19 Federal Funding Agency (COFAG)	• COFAG will provide the following support measures to eligible businesses: - guarantees to lenders of up to (i) 100% on bridge loans for small and midsized enterprises (SMEs), provided that the maximum amount of the loan is limited to EUR 500,000 and (ii) 90% on bridge loans for large businesses and SMEs (provided that, for SMEs, the maximum amount of the loan is limited to EUR 25 million); - grants and repayable advances (up to EUR 800,000); and - direct loans. • Duration of support measures is six years for large businesses and five years for SMEs with, in each case, a maximum amount of the loan/guarantee capped at the following (can be exceeded if the loan matures in 2020): - twice the annual direct wage costs in 2019; - 25% of total turnover in 2019; or - liquidity needs for the next 12 months. • Maximum pricing depends on whether the relevant business is an SME or a large business and ranges between (depending on term): - guarantee premium – 25 bps to 200 bps; and - loans – 25 bps to 200 bps plus benchmark rate. • Access to the scheme is via principal banks or the central bank.	• Large businesses (*i.e.*, those with 250 or more employees and annual turnover exceeding EUR 50 million or balance sheet total exceeding EUR 43 million (based on the recommendation of the European Commission 2003/361/EG from 6 May 2003)) and SMEs with headquarters/business premises and significant operational activities in Austria are eligible for COFAG support. • Supervised legal entities in the public sector as well as, among others, businesses that were already in financial difficulties on 31 December 2019 are not eligible. • The COFAG support instruments may not be used for debt restructuring, financing of investments, dividend pay-outs, share buy-backs and bonuses. However, the instruments may be used to finance capital instalments or interest due in the period under consideration (other than prepayment of loans or repayment of loans upon final maturity).

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Key Liquidity Measures

	Key Features	Eligibility
Export working capital loans with guarantee	• The Austrian Control Bank (OeKB) will provide working capital loans with a term of up to two years (extension possible) and a maximum amount of the loan capped at 10% (for large business) or 15% (for SMEs) of export turnover (with an individual maximum limit of EUR 60 million for each group of companies). Moreover, guarantees to lenders (by way of aval) for 50-70% of the loan amount will be provided, depending on the creditworthiness of the business. • Access to the scheme is via principal banks.	• Large businesses and SMEs (as defined above) located in Austria with at least 25% of product value creation in Austria are eligible. • Certain companies that fall under the Security Control Act, War Material Ordinance and tourism companies are not eligible.
Additional bridge guarantees	• The following government bodies will provide guarantees to lenders for new bridge financing provided to eligible businesses: - the Promotional Bank of the Austrian Federal Government (AWS) – the guarantee programme covers up to 100% of the loan and applies to loan terms of up to five years; and - the Austrian Hotel and Tourism Bank (ÖHT) – the guarantee programme covers up to 80% of the loan, with the maximum amount of the guarantee capped at EUR 500,000, and applies to loan terms of up to three years. • Access to the scheme is via principal banks.	• The following businesses are eligible for support: - AWS: one-person companies, SMEs from all industries, excluding tourism. - ÖHT: companies with membership in the tourism and leisure industry section of the Austrian Economic Chamber, including mixed companies.
Job retention programme	• Allows Austrian employers to claim 80-90% of furloughed employees' usual monthly net renumeration (capped at EUR 5,370 gross), including the employer's social security contributions, from the Austrian Public Employment Service (AMS). • Ban on termination of employment contracts during short-time work and one month afterward (exemptions apply).	• Covers any employer, business, charity or nonprofit organisation in Austria and applies to businesses of all sizes.

Other Measures

A number of other measures have been introduced that may assist businesses, including:

- **Extension of insolvency filing period** – to 120 days. Insolvency trigger of over-indebtedness suspended until 30 June 2020 if over-indebtedness occurred after 1 March 2020.
- **Deferral or installment payment of taxes** – deferral interest may be furthermore reduced to zero.
- **Suspension of time limits** – for drawing up annual financial statements, submission thereof to commercial register, etc.
- **Extension of deadlines** – for annual general meetings of limited liability companies, stock corporations and cooperatives.
- **Virtual shareholder and board meetings allowed.**
- **Electronic notarial acts and certifications allowed.**
- **Hardship Fund (*Härtefonds*)** – nonrepayable grants up to total maximum of EUR 6,000 to one-person companies, micro-enterprises, freelancers and newly self-employed with registered office/permanent establishment in Austria.
- **Moratorium on loan repayments** – statutory moratorium on repayment of loans taken out by consumers and micro-enterprises before 15 March 2020 resulting in extension of payment dates falling in the months of April, May or June 2020 by three months. A borrower has the right to invoke the moratorium if its ability to repay is materially adversely affected as a result of COVID-19. A borrower may also continue repaying. Ban on termination of loans during moratorium.

The information provided was obtained in partnership with the following local counsel: Schoenherr Attorneys at Law

Key Liquidity Measures

	Key Features	Eligibility
Deferral of payments under existing credit facilities scheme	• On 31 March 2020, the Federation of the Belgian financial sector (Febelfin) published a charter (the Payment Suspension Charter) detailing the principles of an agreement reached between the Belgian government, Febelfin and the National Bank of Belgium in order to address the immediate fallout from the COVID-19 crisis. • The key principles of the Payment Suspension Charter are as follows: - Enterprises financially affected by the COVID-19 crisis can apply for a payment deferral in respect of any principal repayments under their corporate credits (up to a maximum of six months). - Payment deferrals in respect of any principal repayments may be requested for facilities with a fixed repayment schedule, advances in current account and ordinary loans. - Interest on loans remains due and payable. - Once the deferral period has expired, borrowers will be required to repay principal as normal, and the duration of the facility will be automatically extended by the deferral period. - Leasing and factoring fall outside the scope of application of the Payment Suspension Charter. - For applications submitted by 30 April 2020, a payment deferral for a maximum of six months may be obtained (*i.e.*, until 31 October 2020 at the latest). For applications submitted after 30 April 2020, the deadline remains 31 October 2020. - Payment deferrals will be granted free of charge.	• Payment deferrals in respect of corporate facilities may be requested by companies permanently established in Belgium that are “non-financial enterprises” (and SMEs, self-employed persons and nonprofit organisations), which meet each of the following four criteria: - are facing liquidity shortages specifically due to the COVID-19 outbreak (*e.g.*, due to a decrease in turnover); - are not in payment default in respect of their existing facilities, taxes or social security contributions as of 1 February 2020 or have not incurred late payment delays of less than 30 days with respect to existing facilities, taxes or social security contributions as of 29 February 2020; - have fulfilled all their contractual credit obligations with all banks during the last 12 months prior to 31 January 2020; and - are not undergoing an active credit restructuring process.

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Key Liquidity Measures

	Key Features	Eligibility
State guarantee scheme	• The Belgian government has pledged a total amount of EUR 50 billion as part of a guarantee scheme (the Guarantee Scheme) to cover losses in connection with new loans made available to businesses in response to the COVID-19 crisis. - New credit facilities (up to EUR 50 million per company (or group of affiliated companies)) will be guaranteed by the Belgian government. - All new bank loans under the Guarantee Scheme will be subject to a maximum interest rate of 1.25% (excluding fees). - New credit facilities for an aggregate amount in excess of EUR 50 million will require additional approval from the Belgian government.	• The Guarantee Scheme applies: - to all new loans and credit facilities with a maximum maturity of 12 months granted by credit institutions to both nonfinancial enterprises and self-employed entrepreneurs on and from 1 April 2020 until 30 September 2020; and - only to companies that can show that they were financially healthy and viable before the COVID-19 outbreak. • The Guarantee Scheme does not cover: - the refinancing of any existing loans nor for any new drawdowns under existing credit facilities; or - losses on credit agreements at an individual level (noting that the Guarantee Scheme will only provide cover at the level of the entire portfolio where total losses exceed 3% of the total portfolio value).
Temporary unemployment for force majeure	• Employers that are no longer able to employ their (entire) workforce as a result of the COVID-19 crisis can rely on temporary unemployment for force majeure to allow employees to obtain unemployment benefits (equal to 70% of a limited remuneration plus a supplement of EUR 5.63 per day). - The employment agreements with the employees are maintained but remain suspended. - This regime will apply until 31 May 2020; however, this may be extended.	• Most businesses are eligible for this measure, including those that have: - had to close their business as a result of a governmental order; - employees who must remain in quarantine; or - insufficient work to keep their employees occupied.

Other Measures

A number of other measures have been introduced that may assist businesses including:

Hindrance Subsidy

- Businesses that have to close and which fulfil certain conditions can benefit from a one-time subsidy. The amount of the subsidy depends on the region in which the business is located:
  - **Brussels Capital**: EUR 4,000 (per establishment unit of the business, with a maximum of five subsidies per business);
  - **Flanders**: EUR 4,000 (per establishment unit of the business, with a maximum of five premiums per business), plus EUR 165 per additional day that the business is closed after 5 April 2020; and
  - **Wallonia**: EUR 5,000 (one subsidy per company number).
- Businesses must meet certain criteria to be eligible for the hindrance subsidy that may differ depending on the region in which the business is located.

Additional period of two months for the payment of certain taxes:

- Personal income tax, corporate income tax, non-resident income tax and legal entity tax, with respect to the tax assessment year 2019 will be assessed as from 12 March 2020 onward.
- VAT and payroll tax with respect to February 2020 and March 2020 for monthly taxpayers and with respect to the first quarter of 2020 for quarterly taxpayers.

Deferment of social security contributions

- Subject to the satisfaction of certain conditions, the payment of social security contributions (for the first and second quarters) has been deferred until 15 December 2020 for businesses and for self-employed persons.

Insolvency and restructuring

- Belgian insolvency law requires any business (as well as its directors) to file for bankruptcy within the statutory time limit of one month as from the moment it is established — or should reasonably have been established — by the board that the bankruptcy conditions are satisfied.
  - The Belgian government has recently introduced a temporary moratorium in light of the COVID-19 crisis, suspending this obligation if the bankruptcy conditions would otherwise be satisfied.
  - The moratorium temporarily suspends certain creditors' rights. More specifically, for the duration of this moratorium and even though the debtor may be in payment default, (i) creditors will not be able to execute certain enforcement (proceedings) and security rights against the debtor, nor terminate pending agreements due to the debtor's payment default; and (ii) businesses cannot be declared bankrupt or be the subject of judicial dissolution or forced transfer of their business activities due to bankruptcy before a Belgian court.
  - The scope of the temporary moratorium is also limited: It applies only to enterprises facing threatened continuity by the break-out of the COVID-19 pandemic while not being virtually bankrupt on 18 March 2020; and, for example, it does not address directors' liability. Importantly, the moratorium by itself does not discharge debtors from their payment obligations.

The information provided was obtained in partnership with the following local counsel: Liedekerke Wolters Waelbroeck Kirkpatrick

Czech Republic

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Key Liquidity Measures

	Key Features	Eligibility
COVID plus guarantee	• The Ministry of Finance in cooperation with the Ministry of Industry and Trade and the Trade and Export Guarantee and Insurance Company will provide lenders with a guarantee of 80% on each loan to give lenders further confidence in continuing to provide loans up to CZK 200 billion. • Covers loan terms up to three years for working capital loans, and up to five years for investment loans. • Access to the scheme is via lenders, and pricing will be determined by the lenders. • The programme is scheduled to start at the end of April 2020 or in early May 2020. • Loans from CZK 5 million up to CZK 1,4 billion. • Funds from the guaranteed loans may be used for: - refinancing or restructuring the existing loan; or - a new loan to finance operating needs or investments.	• The following businesses are eligible for support: - large businesses with more than 250 employees, and - at least 20% of total sales of goods and services of the business in 2019 must be from exports (even as part of sub-supplies to export companies). • Companies that had problems threatening their existence (e.g., ongoing insolvency proceedings) prior to the Czech government's declaration of a state of emergency in connection with COVID-19 (which means that the problems of the company were not caused by the COVID-19 spread and following state measures) are excluded.

Key Liquidity Measures

	Key Features	Eligibility
Antivirus programme	• The Ministry of Labour and Social Affairs has an employment support programme in which it offers entrepreneurs a contribution to the wages of employees who cannot work due to barriers to work because: - the employer was forced to close down or restrict its activity as a result of government measures to stop the spread of COVID-19 or as a result of related economic difficulties caused by the spread of COVID-19; or - employees were ordered to stay in quarantine (as a measure to stop the spread of COVID-19). • Employers receive compensation derived from the average super-gross wage of their employees taking into account the reason why the employees are not able to continue working. • Employers can apply for a contribution of: - 80% of the paid wage compensation, but up to a maximum of CZK 39,000 for each employee in case of forced traffic restrictions (due to government’s measures) or ordered quarantine; or - 60% of the paid wage compensation, but up to a maximum of CZK 29,000 for each employee in case of barriers to work on the part of the employer due to related economic difficulties caused by the spread of COVID-19.	• The compensation will apply to employers whose economic activity will be endangered as a result of the spread of COVID-19. • The entrepreneur must satisfy certain criteria: - the employer must strictly adhere to the Czech Labour Code; - the employee must not be on notice and must not be dismissed; - the employee must have an employment contract and must participate in sickness and pension insurance; and - the employer (company) must pay both the salary and the levy. • Excluded are employers who: - employ public servants, as the latter are entitled for compensation from other public sources; - are in liquidation or bankruptcy proceedings; - were fined no longer than three years before the date of submission of the application for the antivirus programme for allowing illegal work.

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Other Measures

Several other measures have been introduced that may assist businesses including:

COVID III guarantee

- The Czech-Moravian Guarantee and Development Bank (CMZRB) will provide lenders with guarantees for operating loans.
  - Access to the scheme is via commercial lenders.
  - Programme and details will be presented by CMZRB at the beginning of May 2020.
  - It is expected that this programme will copy or replace existing programs of CMZRB (please see below) and will apply to entrepreneurs throughout the Czech Republic including larger businesses of up to 500 employees (but excluding very large enterprises that will probably only be entitled to submit an application for the COVID plus programme).

Lex Covid

- The Ministry of Justice of the Czech Republic prepared the so called *Lex Covid,* which stands on three pillars:
  - it suspends the obligation of the company's statutory body to file a debtor's insolvency petition;
  - it suspends the rights of a creditor to file an insolvency petition against the debtor, as of the effective date of *Lex Covid* until 31 August 2020; and
  - it introduces the institute of an extraordinary moratorium — the aim is to defer entrepreneurs loan repayments until 31 October 2020.

Technology — Appeal XII. COVID-19

- The Ministry of Industry and Trade decided to support the production of medical devices necessary for the fight against COVID-19. Applications for this programme will be accepted beginning 4 May 2020.
  - The target group of this programme are small and medium-sized enterprises (which were created, as a result of the spread of COVID-19, to manufacture medical devices and personal protective equipment to directly combat the further spread of COVID-19).
  - Support is provided in the form of an *ex post* subsidy — the entrepreneur must prove their expenses first.
  - The subsidy is provided in the amount from CZK 250,000 to CZK 20 million with CZK 300 million allocated.

CMZRB programs that have already taken place and are no longer available:

- **COVID I**
  - Interest-free loan in the amount from CZK 500,000 to CZK 15 million for small and medium entrepreneurs.
- **COVID II**
  - Loan guarantee and contribution for interest payments for small and medium entrepreneurs with business activity outside the territory of Prague.
  - Guarantee for three years for operating loans, in the amount from CZK 10,000 to CZK 15 million, covers up to 80% of commercial loan.
- **COVID for Prague**
  - Guarantee for small and medium-sized entrepreneurs with business activity in Prague.

The information provided was obtained in partnership with the following local counsel: Havel & Partners s.r.o., advokátní kancelář

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Key Liquidity Measures

	Key Features	Eligibility
The Danish state guarantee scheme for small or medium-sized enterprises (SMEs) and larger enterprises	• The Danish government will guarantee 70% of new loans and credit facilities from banks, leasing companies etc. • For SMEs, there is a fixed upfront fee of DKK 2,500 and an annual guarantee commission fixed at 1% of the then applicable guaranteed amount. The maximum duration of the guarantee is seven years with an annual linear reduction. • For larger companies, there is an upfront fee of 0.25% of the amount of the guarantee cover and a guarantee commission. The maximum duration of the guarantee is six years with an annual linear reduction. • Access to the scheme is through local commercial banks — no direct financing is provided by the Danish government to businesses.	• The following companies are eligible for support: - Creditworthy Danish and Faroe Islands-incorporated enterprises with a documented or expected loss of revenue of at least 30% for a minimum of 14 days during the period from 1 March 2020 to 30 September 2020 as a result of COVID-19 that is either: > an SME with fewer than 250 employees and an annual turnover not exceeding DKK 372 million, and/or an annual balance sheet total not exceeding DKK 320 million; or > a larger company; and • not considered in difficulty on 31 December 2019 (credit assessment to be made by the bank or lender to this effect).
Temporary compensation scheme for companies' fixed costs	• Introduction of a temporary compensation scheme to cover Danish companies' fixed costs (*e.g.*, rent, interest expenses, etc.) but excluding wages and salary compensation that are covered by a different scheme (see below). • The maximum compensation per company is DKK 60 million.* covering: - 100% of loss for companies subject to a temporary ban on running their business; and - for other companies: > 80% of loss, if turnover decreases between 80%-100%; > 50% of loss, if turnover decreases between 60%-80%; and > 25% of loss, if turnover decreases between 40%-60%*. • Applications can be made online with the Danish Business Authority.	• The following Danish-incorporated companies are eligible for support: - those with fixed costs exceeding DKK 25,000* in the period from 9 March 2020 to 8 June 2020; and - those with an expected decline in turnover of more than 40% in the period from 9 March 2020 to 8 June 2020* due to COVID-19 or subject to a temporary ban on running their business. • The scheme applies across sectors and business sizes.

*There is currently a voting agreement among the Danish government and certain political parties in place, which, once implemented, will further expand the temporary compensation scheme by (i) increasing the maximum amount of compensation per company to DKK 110 million; (ii) allowing compensation for 25% of loss, if turnover decreases between 35%-60%; (iii) allowing Danish companies with fixed costs exceeding DKK 12,500 to be eligible for support; and (iv) extending the period to 8 July 2020.

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Key Liquidity Measures

	Key Features	Eligibility
Tripartite agreement for compensation of wages and salaries to private employers	• Allows for Danish employers to claim compensation for wages and salaries of employees under threat of dismissal: - in respect of full-time employees: > 75% of the total payroll expenditure; and > maximum of DKK 30,000 per month; and - in respect of hourly-paid employees and trainees: > 90% of the total payroll expenditure; and > maximum of DKK 30,000 per month. • The maximum duration of the scheme is three months (9 March 2020 to 8 June 2020). • Applications can be made online with the Danish Business Authority.	• The following companies are eligible for support: - Danish-incorporated companies sending home at least 30% or 50 employees who (i) work in Denmark and (ii) are not working whilst at home; - not founded 50% or more on government grants; - paying full salary to employees during the compensation period; - making employees take holidays and/or time off in lieu of overtime, without salary or by using at least five holiday days from the new holiday year (pro rated if the employee is not sent home for the entirety of the period from 9 March 2020 to 8 June 2020); and - not being reimbursed for the payroll expenditure in any other way, including by insurance or other state compensation schemes.

Other Measures

A number of other measures have been introduced that may assist businesses including:

- **Deferral of VAT**
  - Large-sized enterprises' VAT payments falling due in March 2020, April 2020 and May 2020 can be deferred for 30 days.
  - Medium-sized enterprises' Q1 VAT payments falling due on 2 June 2020 can be deferred to 1 September 2020.
- **Increased access to export credit and insurance**
  - In order to provide support to Danish export businesses, a new liquidity guarantee (covering 80% of any bank loss on new lines of credit extended to secure exporter liquidity for SMEs and 70% of any such bank loss for larger companies) has been set up by the EKF (Denmark's Export Credit Agency) that will provide access to new loans of DKK 1.25 billion for the benefit of SMEs and DKK 7.1 billion for larger companies.
  - A DKK 30 billion sovereign guarantee fund (administered by the EKF) will be established in 2020, which will ensure that Danish businesses continue to have access to credit insurance for their transactions. This measure is subject to approval from the European Commission.
- **Expansion of the Danish Travel Guarantee Fund**
  - The Danish government has introduced an amendment to the Danish Travel Guarantee Fund Act in order to enable the Danish Travel Guarantee Fund to cover travel providers' reimbursement expenses relating to travel canceled due to the COVID-19 situation by providing a government guarantee of DKK 1.5 billion.

The information provided was obtained in partnership with the following local counsel: Gorrissen Federspiel Advokatpartnerselskab

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Key Liquidity Measures

	Key Features	Eligibility
Purchases of the Finnish commercial paper	• The Bank of Finland has recommenced its purchases of the Finnish commercial paper with a EUR 1 billion purchase programme for the purpose of increasing supply of funding to businesses. • The State Pension Fund of Finland (VER) has increased its purchases of commercial paper and may further increase its investments to up to EUR 1 billion (from EUR 311 million as per 8 April 2020).	• Issuers fulfilling Bank of Finland's risk control parameters and investment criterion are eligible. Such parameters and criterion have not been published in relation to the programme. • Commercial papers with credit rating BBB- or better are generally eligible.
De minimis funding	• Business Finland has introduced two new forms of *de minimis* funding targeted to nearly all industries with operations that are currently suffering due to market and production chain disruptions caused by the virus outbreak: - funding for preliminary studies on business disruptions (up to EUR 10,000); and - development funding for business disruptions (up to EUR 100,000). • Further, Business Finland is expected to launch a new research and development and innovation (RDI) loan in the amount of up to EUR 150,000 (not yet in force). • Business Finland also offers eased terms on previous grants, aids and loans.	• The companies eligible for Business Finland's new forms of funding are: - SMEs with 6-250 employees or mid-cap companies with own or group turnover up to EUR 300 million; and - companies that had profitable business operations before the virus outbreak. • The following companies are not eligible: - companies that have incurred losses in an amount equal to more than half of their share capital; - companies with fewer than six employees (such companies may be eligible for corresponding funding from the Centre for Economic Development, Transport and the Environment); and - companies operating in agricultural primary production or the fishing or fish farming industries. • Business Finland's funding will cover at maximum 80% of the approved total costs.

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Key Liquidity Measures

	Key Features	Eligibility
Guarantees	• Export Credit Agency Finnvera Oyj provides guarantees for businesses' working capital needs. • Most guarantees are targeted at SMEs, however, larger businesses' loans can be guaranteed on special grounds. • Finnvera will guarantee up to 80% of the loan drawn down by a company from a financier. • Finnvera also offers instalment-free periods on loans previously guaranteed (subject to the financier's consent) or made directly available by Finnvera.	• Companies with a minimum Rating Alfa classification of A (Suomen Asiakastieto Rating Alfa classification) are generally eligible.

Other Measures

A number of other measures have been introduced that may assist businesses including:

- Eased terms on **payment of pension insurance contributions**:
  - insurance companies may extend, upon request, the payment period by an additional three months; and
  - temporary reductions to the contributions (decrease of 2.6 percentage points) are applied from 1 May 2020 until 31 December 2020.
- Various **temporary changes to labour legislation** have been implemented beginning 1 April 2020, including measures temporarily speeding up the procedure and broadening the scope of layoffs.
- The **Finnish Tax Administration** offers a one month extension for the purposes of filing corporate tax returns and several other measures are available to company taxpayers <u>at request</u>, including:
  - payment arrangements upon eased terms;
  - adjustment on future tax prepayments;
  - re-allocation or refund of pre-paid taxes; and
  - waiver of late-filing penalty or late-payment interest.
- **Finnish Industry Investment** (Tesi) has commenced a temporary EUR 150 million stability programme, under which it will make direct equity investments and provide convertible loans in the amount of EUR 1 to 10 million to mid-sized enterprises to improve their liquidity.
- Legislative changes are currently being prepared to **restrict creditors' right to petition for bankruptcy**.
  - Currently, a company is presumed insolvent if it has not paid its debt within a week of the receipt of a reminder. The amendment will temporarily remove this presumption until 31 October 2020, hindering creditors' possibility to file a petition for bankruptcy of the debtor on such basis.

The information provided was obtained in partnership with the following local counsel: Roschier, Attorneys Ltd.

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Key Liquidity Measures

	Key Features	Eligibility
State guaranteed loans (*Prêts Garantis par l'État*, or PGEs)	• Pursuant to a governmental order issued on 23 March 2020, the French State, through the state-backed bank Bpifrance and the French Banking Federation (FBF), has offered to guarantee loan facilities up to an aggregate amount of EUR 300 billion in order to give lenders further confidence in continuing to provide loans during the crisis. • Key PGE features (*i.e.*, maximum loan amount, guarantee percentage and premium, request/grant process) are based on the turnover and number of French employees of the relevant company. • The guaranteed amount is expressed as a percentage of the borrower's payment obligations under the loan, equal to: - 90%, for companies with fewer than 5,000 employees in France and with a turnover of less than EUR 1.5 billion; - 80%, for companies with a turnover between EUR 1.5 billion and EUR 5 billion; or - 70%, for other companies. • Each lender pays a premium to Bpifrance (borne by the borrower) calculated as follows: - For companies with more than 250 employees or a turnover in excess of EUR 50 million or a total balance sheet in excess of EUR 43 million: 50 bps for the first year, 100 bps for each of the second and third years, and 200 bps for each of the fourth, fifth and sixth years. - For other companies: 25 bps for the first year, 50 bps for each of the second and third years, and 100 bps for each of the fourth, fifth and sixth years. • The FBF has indicated that PGEs will be granted at cost (*i.e.*, no charge beyond lender's financing costs and the PGE premium). • Enforcement of the French state guarantee is subject to two conditions: - The lender must establish that the level of its financial support to the borrower on grant of PGE is higher than the one existing on 16 March 2020. - The guarantee becomes effective only two months after drawing, so it cannot be called on if a default occurs during the first two months.	• <u>Eligible borrowers</u>: all French legal and natural persons other than real estate companies (*sociétés civiles immobilières*), "eligible lenders" (see below), and companies subject to court-insolvency proceedings. • <u>Eligible lenders</u>: credit institutions (*établissements de crédit*) and financing companies (*sociétés de financement*). • <u>Loan purpose</u>: improvement of the borrower's financial capacity (which therefore excludes the refinancing of existing facilities). • <u>Date of grant</u>: between 16 March 2020 and 31 December 2020. • <u>Maximum loan amount</u>: - For companies registered from 1 January 2019: the French payroll estimated over the first two years of business. - For other companies: 25% of the turnover for the previous year or, if higher, for certain innovative businesses, twice the amount of the French payroll for the previous year. - The reference turnover shall be determined without any intragroup adjustments for PGEs granted to companies belonging to the same group. - Possibility to take into account the French consolidated turnover for PGEs granted to companies with more than 5,000 employees in France or with a turnover higher than EUR 1.5 billion. • <u>Security package</u>: no additional guarantee or security may be granted except in relation to PGEs granted to companies with more than 5,000 employees in France or with a turnover higher than EUR 1.5 billion. • <u>Loan repayment</u>: no repayment for at least the first 12 months; upon the first year, the borrower shall have the option to defer repayment for an additional period of one, two, three, four or five years.

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Key Liquidity Measures

	Key Features	Eligibility
State guaranteed loans (*Prêts Garantis par l'État*, or "PGEs")	• <u>Process</u>: borrowers first obtain pre-approval from their bank(s) and then file a request with Bpifrance to obtain the French state guarantee — no direct financing is provided by the French state to businesses.	
Bpifrance specific measures	• In addition to PGEs, Bpifrance has announced that it may: - guarantee up to 90% of credit facilities and overdrafts; - grant unsecured facilities; and - provide receivables factoring and grant a loan for an amount equal to 30% of the face value of factored receivables.	• Bpifrance guarantee: - Eligible borrowers: small and medium-sized companies (SMEs) and intermediate-sized companies (ETIs) (*i.e.*, with fewer than 5,000 employees and a turnover lower than EUR 1.5 billion or a total balance sheet lower than EUR 2 billion). - Eligible facilities: with a term between three and seven years. - Eligible overdrafts: with a term between 12 and 18 months. • Bpifrance facilities: - Eligible borrowers: SMEs and ETIs. - Amounts: from EUR 10,000 to EUR 5 million for SMEs, and up to EUR 30 million for ETIs. - Term: three to five years.

Other Measures

A number of additional measures have been introduced which may assist businesses including:

- **Deferral of contractual remedies for breach of contract** – certain contractual remedies for breach of contract (liquidated damages, termination/acceleration clauses, penalties for late performance and forfeiture clauses) that would have taken effect during the so-called "Moratorium Period" (*i.e.*, one month after the end of the state of health emergency declared by the French government for two months beginning 24 March 2020) are deemed suspended and will start running and produce their effects one month after the end of the Moratorium Period. Liquidated damages and penalties for late performance that took effect prior to 12 March 2020 are suspended during the Moratorium Period.
- **Deferral of direct taxes and social security contribution** – the French state introduced a EUR 45 billion package allowing businesses to defer payments of direct taxes and social contributions by up to three months without penalty and providing further tax relief, on a case-by-case basis, for ailing companies.

Key Liquidity Measures

	Key Features	Eligibility
KfW COVID-19 aid: loans for companies	• KfW (the German state-owned development bank) offers support programs for new loans that can be used for new financings in the next 12-18 months. • Most of KfW's COVID-19-related programs support up to 80%-90% of the loan volume. In support of small and medium-sized businesses, KfW can assume 100% of the default risk for loans up to EUR 800,000. • KfW support may, depending on the programme, be uncapped. However, KfW's risk share must not exceed:: - 25% of the total 2019 turnover; - 200% of the total 2019 labour costs; or - 50% of the company's total debt financings. • Low interest rates of generally 1% to 2.14% p.a. (one year repayment holiday possible). • KfW supports the financing as part of a syndicate of banks, by refinancing or assuming the risk of the participating banks. • KfW currently does not offer any programme supporting existing loans.	• Majority of the company must be privately owned. • Company must either have its headquarters in Germany or use the loan for investments in Germany. • Liquidity shortage must exist as a result of COVID-19. • Company must be capable of repaying entire loan amount within the next two-six years (depending on programme/investment). • Company must pass commercial banks' standard credit approval process for 100% of loan amount, *i.e.*, also for the part of the loan for which KfW assumes the default risk (this requirement is waived for loans up to EUR 800,000).
German Economic Stabilisation Fund (*Wirtschaftsstabilisier ungsfonds* (WSF))	The German federal government has established certain instruments under its Economic Stabilisation Fund, through which the government may participate in corporate financings by means of a number of equity capital measures. • The federal government may, *e.g.*, acquire company shares, convertible bonds, profit participation rights or subordinated debt instruments, as well as silent partnership investments. • The investment is accompanied by various restrictions on the relevant company.	• Liquidity shortage as a result of COVID-19. • Existence must be vital for the economy, technological sovereignty, certainty of supply, critical infrastructure or the labour market. • Generally companies must meet two of the following three criteria: (1) >EUR 43m balance sheet, (2) > EUR 50m annual revenue, or (3) > 249 employees. Exemptions may be made for companies in particularly critical sectors.

Germany (cont.)

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Key Liquidity Measures

	Key Features	Eligibility
Short-time work allowance (*Kurzarbeitergeld*)	• Short-time work allowance is part of the social security benefits for employees. • 60% of the employee's loss of income is reimbursed by the government. The government also pays social security contributions.	• Short-time work must be agreed, typically by (1) an individual agreement with the employee or (2) an agreement with the works council. • At least 10% of the work force must be affected by a reduction of work volume of at least 10%. • Short-time work allowance can be paid for a maximum period of 12 months.

Other Measures

A number of other measures have been introduced that may assist businesses including:

- **Insolvency filings** – for companies whose illiquidity or over-indebtedness is a result of COVID-19 and that have a prospect of resolving the illiquidity and/or over-indebtedness by way of governmental help or otherwise, the obligation to file for insolvency has been suspended until 30 September 2020 (the deadline may be extended until 31 March 2021); this protects the management from criminal and civil liability.
- **Tax** – taxes that are due or will become due may be deferred until 31 December 2020 without interest charge; no enforcement measures will be taken until 31 December 2020.
- **Lease agreements** – COVID-19-related overdue payments from the period 1 April 2020 to 30 June 2020 do not entitle the lessor — for a period of 24 months — to terminate the contract. Only if the lessee has not paid the outstanding payments by 30 June 2022, the contract can be terminated.

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Key Liquidity Measures

	Key Features	Eligibility
EUR 2bn Greek aid scheme in the form of granting guarantees	• A EUR 2bn Greek aid scheme was approved by the European Commission on 3 April 2020. The Greek aid scheme provides for the granting of partial guarantees on working capital loans originated by financial intermediaries. • The measure will be implemented through the issuance of the above guarantees by the Hellenic Development Bank (HDB) to financial intermediaries. • The Greek aid scheme is in line with the conditions described in the Temporary State aid Framework adopted by the European Commission on 19 March 2020, as amended on 3 April 2020. • Details regarding the above scheme will be detailed in a law, yet to be enacted, but are expected to: - include guarantees for performing loans with a limited maturity and size; - limit the risk taken by the state to a maximum of 80% of the relevant loan amount; - limit the state's exposure to 40% of the volume of loans issued by a financial intermediary; and - involve minimum remuneration and safeguards to ensure that the aid is channeled effectively by the banks to the beneficiaries in need.	• All Greek business undertakings will be eligible for the Greek aid scheme other than: - financial intermediaries (such as banks); - undertakings active in aquaculture and agriculture; and - undertakings active in sectors non-eligible by the European Regional Development Fund.
Interest subsidy programme	• The Greek state will subsidise the payment of contractual interest (as well as the levy of Law 128/1975) due under loans (term loans, bond loans and current account credit facilities) granted by banks to SMEs directly affected by COVID-19.	• All SMEs lawfully operating in Greece, regardless of their legal form (other than those operating in the primary production of agricultural products and in the sectors of fishery and aquaculture) are eligible for support, provided the following conditions (among others) are satisfied: - on 19 March 2020, they were operating in the eligible business sectors as set out in the Ministerial Decision 37674/10.4.2020; and - they are included in the definition of SMEs provided for in Annex I of Regulation (EU) 651/2014 (EU L 187/26.6.2014). • Financial institutions and offshore companies are not eligible to apply for the subsidy.

Other Measures

A number of other measures have been introduced that may assist businesses including:

- An electronic platform for the implementation of a temporary state aid scheme in the form of repayable advances (the deadline for submission of applications expired on 21 April 2020).
- A three-month suspension of all deadlines concerning the procedural acts and instalment payments by businesses having applied for or currently in debt settlement agreements under Law 4469/2017.
- A 75-day suspension of the deadlines concerning the presentation and payment of negotiable instruments (*i.e.*, cheques, bills of exchange and promissory notes). The measure applies to businesses whose operations have mandatorily been suspended or that have been severely affected by the COVID-19 pandemic.
- Suspension until 30 September 2020 of the payment of loan instalments for performing loans granted to businesses directly affected by COVID-19. During this period, debtors are still required to pay interest on their loans.
- Deferral of payments of certain taxes and social security contributions for businesses, with a discount of 25% being applied to those not intending to utilise the deferral benefit.
- Specific measures on employment relationships, including with respect to suspension of employment agreements in order to avoid dismissals (without an adverse impact on social security coverage of the suspended employees) and deferral of the Easter bonus payment by the employer.
- 40% rent reduction for March 2020 and April 2020 for businesses whose operations have been suspended by virtue of a public authority order or have been seriously affected by the COVID-19 pandemic. In such situations, the lessor is not entitled to terminate the lease agreement and has no other civil claim against the lessee because of the partial nonpayment of the rent amount. The reduction applies to:
  - commercial leases for business establishments; and
  - financial leasing agreements for business purposes of either movable or immovable property.

The information provided was obtained in partnership with the following local counsel: Bernitsas Law Firm

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Key Liquidity Measures

	Key Features	Eligibility
Payment moratorium	A statutory moratorium has been introduced that is applicable to all retail and corporate financings. • Principal, interest and fee payment obligations under all loan, credit and financial leasing agreements entered into on or before 18 March 2020 are suspended until 31 December 2020 (or such later date as may be specified by governmental decree). - The payment moratorium does not release and/or waive the relevant payment obligations. - Debtors may opt out and continue to perform their obligations. • The due date of all contractual obligations under all loan, credit and financial leasing agreements entered into on or before 18 March 2020 will be automatically extended during the moratorium period.	All Hungarian debtors (both private persons and legal entities) are eligible except for: • the Hungarian state and local governments; and • financial institutions, insurance companies and investment funds.
Funding for Growth Scheme Go! (FGS Go Programme)	The Hungarian National Bank (HNB) will make available a total of HUF 1,500 billion (approximately EUR 4.2 billion) for loans for development, current asset purchasing or wage payments. • The maximum maturity for refinancing loans is 20 years. • The maximum amount available to be borrowed by a medium size enterprise is HUF 20 billion.	• Hungarian SMEs are eligible to apply for assistance from the FGS GO Programme. • Hungarian SMEs that have received assistance from the FGS Go Programme, and also banks that are having loans refinanced due to the FGS Go Programme, are exempted from their payment obligations until 31 December 2020. • Financial institutions will need to assess loan applications within 10 calendar days from the date on which all necessary information has been provided by the applicant.

Key Liquidity Measures

	Key Features	Eligibility
Job retention programme	• A reduced working hours subsidy will be available for a three month period where: - an employer and an employee jointly agree to reduced working hours (which must be not less than 50% and no greater than 70% of the employee's existing working hours (based on a three month average)); and - the employee is presently employed in a part-time or full-time capacity performing at least four hours work on a daily basis.	Employers will need to demonstrate and provide evidence that: • the employee's reduced working hours are directly and closely related to the ongoing emergency caused by COVID-19; and • the retention of the relevant employee is in the national economic interest.

Other Measures

A number of other measures have been introduced that may assist businesses including:

- **Certain rights of landlords have been suspended -** landlords are forbidden from terminating non-residential rental contracts and from increasing rent for businesses in sectors such as tourism, hospitality services, event organising, gambling, entertainment industry, film industry, performance arts and sporting services until 30 June 2020.
- **Auctions, onsite enforcement procedures and measures cannot be taken until the end of the state of emergency –** evictions and all related enforcement proceedings may only be initiated on and from 15 January 2021.

The information provided was obtained in partnership with the following local counsel: Schoenherr Attorneys at Law

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Key Liquidity Measures

	Key Features	Eligibility
The Strategic Banking Corporation of Ireland (SBCI) Covid-19 Working Capital Scheme	• This initiative is aimed at supporting viable micro, small and medium sized enterprises (SMEs" and small to mid-cap enterprises with loans. • Loan amounts between EUR 25,000 to EUR 1.5m per eligible enterprise. • Loan terms ranging from one to three years. • Loans up to EUR 500,000 unsecured. • Optional interest-only repayments may be available at the start of the loans. • Loans can be used for future working capital requirements and to fund innovation, change or adaptation of the business to mitigate the impact of COVID-19. Loans are made available through Bank of Ireland, AIB or Ulster Bank.	The following businesses are eligible for support: • Ireland-based SMEs (being enterprises that: have fewer than 250 employees; have a turnover of EUR 50 million or less (or EUR 43 million or less on their balance sheet); are independent and autonomous, *i.e.*, not part of a wider group of enterprises; and have less than 25% of their capital held by public bodies); and • Ireland-based small and mid-cap enterprises (enterprises that are not SMEs, but have fewer than 500 employees). Amongst other criteria: • an applicant must demonstrate that its business is impacted by the COVID-19 virus resulting in business turnover/ profitability being negatively impacted by a minimum of 15%; and • the application of loan proceeds must satisfy one of 11 "Innovation Criteria". For example, that "at least 80% of the Scheme Loan will be spent on research and innovation activities associated with the borrower's response to the COVID-19 challenge with the remainder on costs necessary to enable such activities." Various exclusions apply, including, amongst others, SMEs/small to mid-cap enterprises that: • are in financial difficulty (excluding cashflow pressures caused by COVID-19); • are bankrupt, are being wound up or are having their affairs administered by courts; or • in the last five years have entered into an arrangement with creditors, in the context of being bankrupt or wound-up or having their affairs administered by the courts.

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Key Liquidity Measures

	Key Features	Eligibility
SBCI Credit Guarantee Scheme	• 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. This was in place pre-COVID-19 but has been repurposed by the SBCI. • Access to the scheme is via commercial lenders (currently AIB, Bank of Ireland and Ulster Bank). • Loans from EUR 10,000 up to EUR 1 million with up to a seven-year term are available for SMEs that may not otherwise be able to access bank loans. • The SBCI has indicated that refinancing of existing debts will be excluded; however, in cases where new lending is sought along with refinancing, the availability of a guarantee in respect of the new lending element should be of assistance in providing an overall package of support to the business, including consolidation of existing debts. • The interest rate charged on the loan will be the bank's market SME lending rates. In addition, the borrower pays a premium that partially covers the cost of providing the guarantee. The premium can vary but is currently 0.5% and cannot exceed 2%.	SMEs may be eligible if they: • are involved in a commercial activity; • are a sole trader, partnership, franchise, co-operative or limited company; and • in the lender's opinion have a viable business proposal and are able to repay the facility. Various exclusions apply, including, amongst others, SMEs that: • are in financial difficulty (excluding cashflow pressures caused by COVID-19); • are bankrupt, are being wound up or are having their affairs administered by courts; or • in the last five years have entered into an arrangement with creditors, in the context of being bankrupt or wound-up or having their affairs administered by the courts.
COVID-19 Business Loan from Microfinance Ireland	• Microfinance Ireland, an entity set up by the Irish government, will provide microenterprises business loans from EUR 5,000 to EUR 50,000. • Covers loan terms up to a maximum of three years. • Six months interest free and repayment free moratorium, with the loan to then be repaid over the remaining 30 months of the 36-month loan period. • Interest rate of 4.5% if submitted through Local Enterprise Office or referred by borrower's bank and 5.5% if an application is made directly with Microfinance Ireland.	A "microenterprise" is defined as an enterprise with: • fewer than 10 full-time employees; • less than EUR 2m annual turnover; and • a balance sheet with net worth/capital account/equity that does not exceed EUR 2m. To be eligible for the scheme, the microenterprise must be: • currently trading; • not in a position to avail of bank finance; and • experiencing a COVID-19 negative impact on their business (*i.e.*, a minimum of 15% of actual or projected in turnover or profit).

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Other Measures

A number of other measures have been introduced that may assist businesses including:

- **Stay on revenue enforcement and application of interest on late payments –** the revenue commissioners have suspended all debt enforcement activity in relation to SMEs until further notice. Furthermore, the application of interest has been suspended on late payments for January 2020 and February 2020 VAT and both February 2020 and March 2020 PAYE (Employers) liabilities.
- **The National COVID-19 Income Support Scheme –** a temporary wage subsidy to cover up to 70% of employees' take-home pay, up to a maximum tax free amount of EUR 410 per week. This is to help affected companies keep their employees on their books and pay them. Support is provided for incomes up to EUR 76,000.
- **Countercyclical Capital Buffer –** the Central Bank of Ireland has reduced the Countercyclical Capital Buffer from 1% to 0%. The measure is intended to free up bank capital that can be used to provide credit, and to restructure and extend loans of bank customers (both individuals and SMEs).
- **Deferral of Business Rates –** the Irish government has agreed with local authorities that they should defer rates payments due from the most immediately affected businesses (primarily in the retail, hospitality, leisure and childcare sectors) until the end of May 2020.
- **Online Retail Scheme –** the new COVID-19 Online Retail Scheme will be administered by Enterprise Ireland, a government agency, and will be open to retailers employing over 10 people. Successful applicants will be awarded funding to support a maximum of 80% of the project costs. Projects should focus on how the applicant's online presence can be optimised to ensure domestic and international visibility.

The information provided was obtained in partnership with the following local counsel: A&L Goodbody

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Key Liquidity Measures

	Key Features	Eligibility
SACE S.p.A. public guarantee under Coronavirus "Liquidity" Decree (Decree Law 8 April 2020 no. 23)	• SACE S.p.A. may, until 31 December 2020, issue guarantees to banks and national financial institutions to secure new financings to businesses for an aggregate amount of up to EUR 200 billion. • The maximum term of the loans covered is six years, and the loans must provide for a pre-amortisation period of up to 24 months. • The guaranteed amount may not exceed 25% of the beneficiary's annual turnover in financial year 2019. • Neither companies having the benefit of the public guarantees, nor other group companies based in Italy, may distribute dividends during financial year 2020.	The following businesses are eligible for support: • Businesses with fewer than 5,000 employees in Italy and a turnover of less than EUR 1.5 billion will have the benefit of a simplified procedure for access to the guarantee. Coverage will be for up to 90% of the amount of the loan. • For businesses that exceed the threshold above, the grant of a guarantee will require a decree from the Ministry of Economy and Finance. The Ministry of Economy and Finance will take into account the role that the relevant business plays, and the scale of the relevant business, in areas that are of specific interest to Italy. Coverage will be for up to: - 80% of the amount of the loan for companies with a turnover between EUR 1.5 billion and EUR 5 billion or more than 5,000 employees in Italy; or - 70% for companies with a turnover in excess of EUR 5 billion.
SMEs Fund's guarantee under Coronavirus "Liquidity" Decree (Decree Law 8 April 2020 no. 23)	• Businesses with fewer than 500 employees may, until 31 December 2020, obtain a free guarantee on new financings (including on refinancing of existing debt) from the central small and medium business fund that provides coverage of up to EUR 5 million for each beneficiary entity. • The percentage of coverage from the fund and the process for evaluating any grant of such coverage (within the relevant limits), will vary in accordance with the amount guaranteed and the dimension of the relevant business. • The maximum term of the loans covered is 6 years and the loans must provide for a pre-amortisation period of up to 24 months.	• Businesses with fewer than 500 employees are eligible for support. The beneficiary's activity must be affected by the COVID-19 emergency. • When the loans are granted for amounts of less than 25% of the amount of the beneficiary's revenues and, in any case, does not exceed EUR 25,000, the guarantee is provided automatically, free of charge and will cover 100% of the amount of loans granted to small and medium-sized enterprises (and persons carrying out business activities). • In other cases, the guarantee is subject to evaluation of the economic and financial status of the relevant company and will cover: - 90% of the amount of each loan exceeding the threshold above, provided the total amount of the loan does not exceed 25% of the beneficiary's total turnover in financial year 2019; or - 100% of the amount of each loan (with 90% being covered by the SME Fund and the remaining 10% being covered by *Confidi* or another entity authorised to issue guarantees) for amounts of up to 25% of the revenues of the beneficiary entity, provided that the request for financing is made by companies which have revenues of less than EUR 3.2 million.

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Other Measures

A number of other measures have been introduced that may assist businesses, including:

- **Insolvency proceedings**
  - The entry into force of the new Business Crisis Code (D.lgs. 12 January 2019, n. 14) has been postponed to 1 September 2021.
  - The deadline for compliance with the terms of approved creditors arrangements ("*concordati preventivi*") and restructuring agreements that expire between 23 February 2020 and 31 December 2021 has been extended for six months.
  - Debtors subject to creditors' arrangements ("*concordati preventivi*") and restructuring agreements that are pending beginning 23 February 2020 can request the courts to grant a time period of up to 90 days to present a new plan or a new restructuring agreement proposal.
  - Bankruptcy proceeds (with certain exceptions) are suspended until 11 May 2020.
- **Provisions relating to instruments of credit** – deadlines relating to instruments of credit falling between 9 March 2020 and 30 April 2020, including any act of enforcement relating to instruments of credit already issued (such as checks and promissory notes) are suspended, provided that cheques presented for payment during the suspension period are payable on the day of presentation.
- **Provisions relating to company law**
  - The company law provisions requiring a reduction of corporate capital as a result of losses, as well as provisions providing for the liquidation of a company following a reduction or loss of capital below the minimum amount prescribed by law, will not apply until 31 December 2020.
  - The company law provisions on the subordination of shareholder financing set out in arts. 2467 and 2497-quinquies of the Civil Code will not apply until 31 December 2020 (and, therefore, any shareholder financing granted in that period will always rank equally with, and not be subordinated to, third party financing).
- **Moratorium on loans and leases** – repayment of instalments on loans/other financings and payment of leasing instalments due before 30 September 2020 are suspended until 30 September 2020. The measure is available to SMEs operating in Italy in any industry sector (and self-employed persons). According to the European Commission's definition, SMEs are enterprises with fewer than 250 employees and a turnover of less than EUR 50 million or an annual balance sheet which does not exceed EUR 43 million.
- **Furlough allowances** – Italian employers, in the case of a suspension of, or reduction in, working activities due to COVID-19, are entitled to claim 80% of furloughed employees' monthly salary (capped at EUR 1,129.66 net per month) for a period of nine weeks. Allowances can be claimed under the (i) Ordinary Wages Guarantee Fund or Ordinary Allowance and (ii) Exceptional Wages Guarantee Fund. The furlough allowance (depending on the form requested by the employer) may or must be paid directly to the employees by the National Institute of Social Security.

The information provided was obtained in partnership with the following local counsel: Orsingher Ortu – Avvocati Associati

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Key Liquidity Measures

	Key Features	Eligibility
Capital subsidy in the form of an advance	Financial aid is available in the form of a reimbursable advance (up to a maximum of EUR 500,000) to cover operating expenses. The advance is repayable on a negotiated income-assessed repayment plan and at an interest rate at least equal to the net value rate applicable at the time the aid was granted. Repayments are to commence no earlier than 12 months after the first payment of the repayable advance.	Artisanal, industrial and commercial companies with a Luxembourg business licence (whether SMEs or large companies) encountering temporary financial difficulties caused by an unforeseeable event (*i.e.*, the COVID-19 outbreak). Applications must be submitted in writing by no later than 15 August 2020 and the aid is expected to be granted before 1 October 2020.
State guarantee scheme for new bank loans (State Guarantee Scheme)	The Luxembourg state will serve as an 85% guarantor for a maximum period of six years in respect of new bank loans taken out by eligible SMEs and large companies. The Luxembourg government has allocated a total budget of EUR 2.5 billion for the State Guarantee Scheme.	The State Guarantee Scheme is limited to SMEs and large companies that were financially viable before 18 March 2020. It is available for loans granted between 18 March 2020 and 31 December 2020. The company's bank must notify the state Treasury of the granting of the loan in respect of which the Luxembourg state is to act as guarantor.
Nonreimbursable and tax-free financial aid for microbusinesses and small enterprises	Immediate and nonrefundable capital subsidy or allowance of EUR 5,000 per company (tax exempt), increased by an eventual complementary capital subsidy of EUR 5,000.	Microbusinesses (employing less than 10 FTE) and/or small enterprises (employing less than 20 FTE) with an annual turnover of at least EUR 15,000 who have been forced to close their establishments or stop their activities due to measures implemented by the Luxembourg government to combat the COVID-19 outbreak and have suffered a significant loss of revenue (at least 50%) between 15 April 2020 and 15 May 2020.
Special anti-crisis financing (SACF)	Loans part funded by SNCI (*Société Nationale de Crédit et d'Investissement*) and part funded by the eligible company's bank. SNCI will make indirect loans of between EUR 12,500 and EUR 16.6 million to fund up to 60% of the total loan amount, with the company's bank funding the balance. The maximum duration of the SACF is five years with an initial grace period on the repayment of the capital up to a maximum two years.	SMEs and large companies that have a business licence. • Indirect loans from the SNCI are disbursed upon request of the eligible company's bank. • SACF will be granted up until 31 December 2020.
SME guarantees in collaboration with banks active in corporate finance	The Luxembourg Chamber of Commerce via its *Mutualité de Cautionnement* will help SMEs facing financial difficulties and liquidity problems by providing guarantees for SMEs that need credit or a bank loan from banks active in corporate financing to obtain new working capital lines. The guarantee will be up to 50% of the credit or loan amount and will be subject to a maximum amount of EUR 250,000 per guarantee.	SMEs. • Must apply directly to their banks to obtain financing guaranteed by the Luxemburg Chamber of Commerce under this scheme.

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Other Measures

A number of additional measures have been introduced that may assist businesses including:

- **Tax measures –** cancellation of advance payments for income tax and municipal business tax for Q1 and Q2 2020; a four month deferral for the payment of income tax, municipal business tax and wealth tax instalments; and postponement of the deadline for filing tax returns for 2019 to 30 June 2020. There will also be no penalty for exceeding the deadline for filing VAT returns. SMEs with positive current balances (of VAT accounts under EUR 10,000) will also receive early refunds.
- **Social security measures –** increased flexibility has been provided to employers in respect of the payment of social security contributions. Measures include suspending interest accrual on late payments and suspending the procedure for enforced collection of contributions. Fines will also not be levied against employers for late submissions of their social security declarations to the CCSS. These measures apply to (i) future social security contributions and (ii) social security contributions currently owing regardless of penalties (interest, fines, etc.) imposed on the statement of account of the CCSS dated 14 March 2020. Despite these measures, social security contributions remain due.
- **Insolvency measures –** commercial companies in financial difficulty due to insufficient liquidity resulting from the COVID-19 outbreak are not required to file for payment suspension or bankruptcy.
- **Commercial Leases –** evictions ordered under commercial leases have been suspended during the COVID-19 crisis, to protect commercial tenants from immediate forced eviction.
- **Exports and international development support –** measures include increasing export insurance coverage, establishing insurance for guarantees issued by the "*Mutualité de Cautionnement*" to increase loan capacity, flexibilisation of the "bank loans insurance", increasing of the percentage of the insurance product for bank guarantees, reducing delays to compensate companies and reimburse for invoices paid in the context of financial support.
- **Moratorium granted by certain banks on the repayment of existing loans –** the Luxembourg government has agreed with certain banks that they will grant clients, on a case-by-case basis, a moratorium and postpone the repayment dates of existing bank loans to avoid cash flow difficulties.
- **Relaxation of SNCI loan and credit terms –** SNCI has agreed to automatically postpose (for six months) capital repayments with 31 March 2020 and 30 June 2020 due dates for direct and indirect loans. As this is an automatic postponement, no action is required from companies to benefit from this measure. The term of each loan benefitting from this moratorium is automatically extended by six months.
- **Support for research and investment aimed at fighting COVID-19 –** financial support for companies carrying out investments or R&D projects for products helping to combat the COVID-19 crisis (co-funded up to 80% and 100%).
- **Support for self-employed –** self-employed persons with fewer than 10 employees entitled to nonrefundable and nontaxable support of EUR 2,500 (subject to certain conditions).
- **Start-up support –** call for innovative solutions to fight COVID-19 with financial support of up to EUR 150,000 available. Further, a co-funding increase up to 70% may be available to cover financial needs for young innovative enterprises.
- **Cultural sector support –** support measures are available for independent professional artists and intermittent workers in the entertainment and cultural sector, including an additional grant of social aid and guarantee subsidies for cancelled projects.
- **Telework incentives –** financial aid is granted in favour of businesses that invest in infrastructure to set up a teleworking system for their employees to fight against the spread of COVID-19. In addition, specific tax and social security arrangements have been negotiated with the French, Belgian and German authorities concerning cross-border workers to avoid any change in status in connection with the applicable tax and social security scheme.
- **Changes to labour laws –** measures include short-time work, the possibility of granting special leave for family reasons or support, a suspension of trial periods in new employment and payment of employees sick leave via the National Health Fund (CNS). Certain employers may also request a working time increase from their employees, refuse annual leave requests and/or cancel annual leave for specific activities. The Luxembourg government has also extended unemployment benefits and extended the validity of residence permits for third-country nationals.

The information provided was obtained in partnership with the following local counsel: Elvinger Hoss Prussen

Netherlands

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Key Liquidity Measures

	Key Features	Eligibility
SME Credit Guarantee Scheme	• The Dutch government has increased the maximum guarantee it provides in connection with commercial loans to SMEs (under the existing SME Credit Guarantee Scheme) from 50% to 75%, for loans with a maximum amount of EUR 266,667. For loans of more than EUR 266,667 (up to a cap of EUR 1.5 million (increased from EUR 1 million)), the guarantee is capped at 50%. The scheme can be used by companies for bridging loans or to increase their current account credit for up to two years. • The premium for the Dutch government guarantee, which took effect on 7 April 2020, has decreased from 3.9% to 2%.	• SMEs established and with substantial activities in the Netherlands (except for undertakings active in agriculture, fisheries, public health care, insurance and finance, and real estate). • SMEs make an application to the accredited financier. The accredited financiers can submit an application to *Rijksdienst voor Ondernemend Nederland*.
Guarantee enterprise financing (GO Scheme)	• The GO Scheme provides large companies affected by the outbreak of COVID-19 with a government guarantee of up to 80% of the relevant loan/ guarantee value. SMEs affected by the outbreak of COVID-19 can receive a government guarantee covering 90% of the relevant loan/ guarantee. • The GO Scheme is now accessible in respect of loans and guarantees valued between EUR 1.5 million and EUR 150 million (having previously been capped at EUR 50 million).	• SMEs and large companies established and with substantial activities in the Netherlands (except for undertakings active in agriculture, fisheries, public health care, insurance and finance, and real estate). • SMEs and large companies make an application to the accredited financier. The accredited financiers can submit an application to *Rijksdienst voor Ondernemend Nederland*.
The Emergency Desk	• The Emergency Desk helps SMEs directly affected by the lockdown measures implemented by the Dutch government during the COVID-19 outbreak. Eligible SMEs can receive a one-off compensation of EUR 4,000. Compensation is available until 26 June 2020.	• SMEs that are established in the Netherlands (before 15 March 2020) and are active in sectors which are directly affected by the Dutch government measures (*e.g.*, restaurants/ cafes, travel companies, beauty salons, tattoo shops, taxi companies, dentists and certain suppliers).
Start-up and scale-up credit and finance	• Bridge financing is available to start-ups, scale-ups and other companies not funded with bank loans that have been affected by the COVID-19 outbreak. As these enterprises do not typically have banking relationships, credit is provided by Regional Development Agencies (ROM). The Dutch government has made EUR 100 million available to support these companies through this scheme.	• SMEs and large companies that are established in the Netherlands and unable to access commercial bank financing.

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Key Liquidity Measures

	Key Features	Eligibility
Extension of export credit insurance	The Dutch government has extended the scope of export credit insurance products to include: • Coverage for short-term export credit insurance policies (shorter than two years). • Potential extensions of domestic coverage. • Coverage across a greater number of jurisdictions. • An increase in the percentage of working capital covered. Dutch commercial banks will also be able to receive financing from BNG Bank and NWB Bank on favourable terms – enabling them to provide credit to Dutch exporters at a favourable fixed interest rate.	• Netherlands-based exporters of capital goods and services, as well as Netherlands based contractors involved in projects abroad and their financiers. • Applications for different products to be submitted online to Atradius Dutch State Business.
Government reinsurance of supplier credits	• On 8 April 2020, the Dutch government announced its intention to reinsure supplier credits for the remainder of the calendar year. • This measure is predominantly aimed at helping SME retailers and catering establishments who need to provide payment insurance to suppliers through a credit insurer. • It is estimated the measure will cost EUR 12 billion with the Dutch government incurring approximately EUR 1 billion in losses.	• Netherlands-based SME retailers and catering establishments that make use of supplier credits and need to provide payment insurance to suppliers via a credit insurer.
Additional support for the cultural and creative sector	• The government announced an increase in the budget of existing instruments in order to preserve vital components of the cultural infrastructure.	• Cultural/creative institutions/organisations that are suffering loss of income as a result of the government's measures to combat the spread of COVID-19 are eligible for the additional support. • Institutions must first have utilised the generic measures to the extent that this was available to them. (including drawing on their own reserves).

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Other Measures

A number of other measures have been introduced that may assist businesses including:

- **Deferral of payment** - companies can obtain deferral of payment of personal income tax, corporate income tax, wage tax, VAT, environmental taxes, excise (mineral oils, alcohol, and tobacco), insurance tax, gambling tax and landlord levy.
  - The Dutch tax authorities will postpone collecting tax immediately after receipt of a request for deferral and grant a deferral of three months.
  - The deferral applies to current tax debts as well as to tax debts that arise in three months following the request for deferral.
  - A deferral of payment of tax for a period longer than three months is possible but additional conditions need to be satisfied.
- **Reduction of preliminary corporate income tax assessment -** if a preliminary corporate tax assessment has been imposed and the taxable profit is likely to be lower than the taxable profit estimated for the preliminary assessment, a reduction of the preliminary assessment may be requested. This creates a right to a refund (if the preliminary assessment has already been paid in full) or provides for a reduction of the monthly tax due (if the preliminary assessment is paid on a monthly basis).
- **No default penalties and reduction of collection interest and interest for unpaid tax:**
  - The tax authorities will not impose default penalties for nonpayment or late payment of taxes. Default penalties (automatically) imposed will be reversed. Although not specifically confirmed, it is generally understood that both measures apply from 12 March 2020.
  - The collection interest that normally starts after the expiry of the payment term will be temporarily reduced from 4% to 0.01%, from 23 March 2020. This applies to all tax debts.
  - In addition, the interest rate for unpaid tax will also be reduced to 0.01% beginning 1 June 2020. An exception to this is the temporary reduction of the interest rate for unpaid personal income tax, which will take effect beginning 1 July 2020. The current rate for unpaid corporate income tax is 8% and 4% for all other taxes.
- **Emergency Bridging Measure to Preserve Employment (NOW):**
  - Employers may be eligible for a NOW subsidy, depending on the actual (or expected) decline in turnover during the period from 1 March 2020 up until 31 May 2020, up to a maximum amount of 90% of the wage bill (the wages of all employees) for the period from 1 March 2020 to 31 May 2020. Only in the event of a 100% decline in turnover will 90% of the total wage bill be paid out. If the decline in turnover is lower, the subsidy will be set at a proportionately lower level.
  - Based on the application, the Dutch Employee Insurance Agency (the UWV) will pay in advance 80% of the estimated amount of the subsidy based on the expected decline in turnover and the employers' actual wage costs in January 2020. After expiry of the period for which the NOW subsidy has been granted, a final settlement will take place on the basis of the actual turnover which normally requires an audit opinion. Compensation for each individual employee's wage is capped at EUR 9,538 per month.
  - The subsidy must be used exclusively for the payment of wage costs. The employer undertakes not to apply for dismissal for commercial reasons during the period of the NOW subsidy. Probationary period dismissals and nonrenewal of fixed-term contracts are not regarded as such.

The information provided was obtained in partnership with the following local counsel: Houthoff

Key Liquidity Measures

<table>
<tr><th></th><th>Key Features</th><th>Eligibility</th></tr>
<tr><td>State guaranteed loans</td><td>The Norwegian government has made available a state guarantee arrangement in the total amount of NOK 50 billion under which the Norwegian state will provide financial institutions with guarantees of 90% of the loan amount to eligible borrowers.
Maximum amount of each loan is the lower of two times the salary expenses of the business in 2019 or 25% of the turnover of the business in 2019.
In particular cases, the amount could be increased in excess of the above thresholds to ensure that the business has sufficient liquidity for the next 18 months, but in no event higher than NOK 50 million for SME and NOK 150 million for larger businesses.
The loans should, to the greatest extent possible, have terms corresponding to loans to similar borrowers in a normal market situation, and the loans could not have a duration of more than three years.
The state guaranteed loans could not be used to prepay existing debt or otherwise imply a transfer of credit risk from the lender to the government.
The arrangement is available until 1 July 2020.</td><td>The arrangement is available for a Norway-based SME and larger businesses that:
have experienced an acute liquidity shortfall caused by COVID-19;
are profitable in a normal market situation;
were not in financial difficulties as of year end 2019; a business is deemed to have been in financial difficulties as of year end 2019 if it:
had lost more than half of its share capital (if it is a limited liability company) or more than half of the booked equity is lost (if it has at least one participant with unlimited liability);
was bankrupt or satisfied the criteria for being filed for bankruptcy by its creditors; or
has received state aid for rescuing and restructuring purposes which is not prepaid or it is still subject to such restructuring.
Larger businesses will in addition be deemed to have been in financial difficulties if over the past two years (1) the book value of their debt exceeded seven and a half-times the book value of their equity and (2) interest cover was less than 1:1.</td></tr>
<tr><td>Government fund for bond investments</td><td>To ensure access to credit for larger enterprises, the Norwegian government has established a NOK 50 billion fund for the purpose of investing in bonds.
Investments should be made together with and on the same terms as other investors.</td><td>The investment scope of the government fund is:
Norway-based issuers regardless of sector, but the investment amounts will be allocated between sectors.
Both investment grade and high-yield bonds.</td></tr>
</table>

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Key Liquidity Measures

	Key Features	Eligibility
Compensation arrangement	• Cash compensation for lost income to support payment of fixed expenses between March 2020 and May 2020. • Requirement for reduced income of 20% in March 2020 and 30% in April 2020 compared to similar periods in a normal market situation. • The compensation amount is calculated as follows: - percentage of reduced income, multiplied with - the sum of fixed expenses less a fixed deduction of NOK 10,000 (for businesses not subject to mandatory close-down due to COVID-19), multiplied with - an adjustment factor of 0.9 for businesses subject mandatory close-down and 0.8 for other businesses. • If several members of a group apply for compensation, the income and fixed expenses shall be based on the consolidated numbers for the Norwegian part of the group. • The maximum monthly compensation amount for each entity (or for the group if several entities in the group apply for compensation) is NOK 80 million and compensation exceeding NOK 30 million is reduced by a factor of 0.5.	• The arrangement is available for Norway-based businesses that have employees (or where the business is the main income for the sole owner). • Certain businesses are excluded from the arrangements, including businesses within the sectors of petroleum development, energy production and distribution, financial and investment services, foreign transport of goods or business subject to separate compensation arrangements or entities wholly owned by the government if the majority of the business does not have competitors.

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Other Measures

A number of other measures have been introduced by the Norwegian government, including:

Tax and VAT measures

- Several tax and VAT measures have been introduced, including:
  - Reduced VAT rate from 12% to 4% for certain sectors largely affected by COVID-19 and reduced employer's contribution.
  - Reversal of up to NOK 30 million of company deficit in 2020 against taxed surplus for the previous two years.
  - Extended deadlines for payment of several taxes.

Reconstruction scheme

- A temporary act on reconstruction of businesses to rectify financial difficulties caused by COVID-19 is expected to enter into force on 1 May 2020.
- The act will replace the existing debt restructuring provisions under the Norwegian Bankruptcy Act of 1984 and is aimed at providing further tools than existing rules, including possibilities for:
  - increased protection against bankruptcy;
  - sale of all or parts of the business and conversion of debt to equity; and
  - security for loans to fund the business during the reconstruction phase (including DIP-financing).

Measures for specific sectors

Certain measures have been adopted for specific sectors, such as the airline industry, the fishery industry, venture businesses and the travel industry.

The information provided was obtained in partnership with the following local counsel: Advokatfirmaet Wiersholm AS

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Key Liquidity Measures

	Key Features	Eligibility
System of Guarantees by Bank Gospodarstwa Krajowego (BGK)	• BGK will provide lenders with guarantees of up to 80% on loans provided to eligible uncreditworthy businesses for the purposes of financing obligations arising from business activities and to ensure liquidity (the amount of each guarantee is capped at PLN 250 million). • Access to the scheme is via commercial lenders who have signed a framework agreement with BGK.	• All businesses are eligible subject to certain exclusions (including businesses operating within certain sectors *e.g.*, fisheries and aquaculture, primary production of agricultural products and road transport). • Biznesmax Guarantees (which are specific to BGK) apply only to businesses meeting certain innovation categories.
Financial Shield — contributions for SME businesses	The Polish Development Fund (PFR) will provide SME businesses with up to 75% reimbursable contributions subject to certain conditions, including the following: • the maximum amount of the contribution is capped at PLN 3.5 million and is to be used to cover the costs of business activities (*e.g.*, remuneration for employees) for a period of up to three years; • the proceeds of the contribution may be used to prepay loans up to a maximum of 25% of the loan value; and • the proceeds of the contribution cannot be used (i) for M&A purposes or (ii) for payments towards the owner or persons related to the owner.	• SME businesses eligible for PRF support are those with: - an annual turnover not exceeding EUR 50 million and/or a balance sheet total not exceeding EUR 43 million and employing between 10 and 249 employees, not in bankruptcy, restructuring or liquidation proceedings; and - an ultimate beneficial owner that has Polish tax residence and has settled taxes for the last two financial years in Poland (with certain exceptions). • SME businesses that have healthy business track record but are not eligible due to the lack of credit rating assessment after 30 September 2019 can expect to be given more liberal treatment by lenders.

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Key Liquidity Measures

	Key Features	Eligibility
Financial Shield – financing for large businesses	• The PFR will provide large businesses with partially reimbursable financing, including the following: - liquidity financing of up to PLN 1 billion with a term between two to three years; - preferential financing (intended to cover current operations and restructuring activities) of up to PLN 750 million with a term between three to four years; - investment financing (intended to strengthen the capital base of the business, to ensure maintenance of business operations and to cover investment projects) by way of PRF acquiring up to PLN 1 billion worth of equity instruments issued by the relevant business. • Funding may not be used for (i) M&A purposes, (ii) payments towards the owner or persons related to the owner or (iii) early repayment of loans.	• Large businesses eligible for PRF support are those: - with annual turnover over EUR 50 million and/or a total balance sheet assets exceeding EUR 43 million and employing over 250 employees; - that are not in bankruptcy, restructuring or liquidation proceedings; - with an ultimate beneficiary owner that has Polish tax residence and has settled taxes for the last two financial years in the Republic of Poland (with certain exceptions); and - that (i) have recorded a decrease in economic turnover of at least 25%, (ii) have lost the ability to manufacture or provide services or receive products or services, and (iii) are not able to access the debt or equity capital markets. • SME businesses may also benefit from the programme under special conditions.
Working capital loans from the Industrial Development Agency (ARP)	ARP will provide eligible businesses with loans that cover: • deficits in working capital — loans are capped at PLN 0.8-5 million with maximum term of six years and grace period for repayment of up to 15 months; • payment of remuneration – loans to be used to finance the net amount required to cover the company's remuneration funding deficit for up to two years, with grace period for repayment of up to 12 months.	• SME businesses with turnover more than PLN 4 million and positive results (both EBITDA and net assets) for 2019 are eligible to receive loans to cover working capital deficit. • SME businesses with a confirmed current liquidity deficit are eligible to receive loans to cover payment of remuneration.
Operating leases	ARP will provide eligible business with loans to refinance operating leases. Loans are capped at PLN 5 million and have a term of up to 6 years with grace period for repayment of up to 12 months.	SME businesses with turnover of more than PLN 4 million and positive results (both EBITDA and net assets) for 2019.

Key Liquidity Measures

	Key Features	Eligibility
Liquidity Support Loan Fund – Smart Growth Programme	Minister of Funds and Regional Policy together with Bank Gospodarstwa Krajowego (BGK) are planning to provide eligible businesses with liquidity loans of up to an aggregate amount of PLN 400 million. Individual loans issued under this programme are capped at PLN 15 million with a maximum term of six years. Loans do not incur any fees or interest.	SME businesses.

Other Measures

- **Exemption from social security (ZUS) contributions –** businesses that employ between 10 and 49 employees registered for the purposes of social security as of 29 February 2020 are eligible for a 50% payment exemption for the period from 1 March 2020 to 31 May 2020.
- **Downtime relief payment –** the wages/salaries of employees affected by downtime may be reduced by up to 50%. The Guaranteed Employee Benefits Fund may also be utilised to subsidise up to 50% of the minimum wage.
- **Facilitation for borrowers** – loans granted prior to 31 December 2020 may be extended by up to one year in the event of a temporary threat to liquidity with preferential treatment given to borrowers covered by BGK guarantees.
- **Payment gridlock –** accounts that are not paid within 90 days are not included as income for purposes of calculating the tax advance (provided revenues are lower by at least 50% compared to the same period in the previous tax year).
- **Accounting for a loss –** for the purposes of calculating tax, taxpayers with a loss in 2020 and revenues that are less than 50% of the revenues generated for the same period in the previous tax year are entitled to a one off reduction in the income generated in 2019 in an amount equal to the loss (with the amount of the reduction capped at PLN 5 million).
- **Suspension of period for filing bankruptcy petition** – for insolvencies caused by the COVID-19 epidemic, the period for filing a petition shall not begin, and if such period has already commenced, such period shall be suspended. The period for filing shall resume upon lifting of the state of epidemic. It is presumed that an insolvency arising after 14 March 2020 has been caused by the COVID-19 epidemic.
- **Deferred deadlines for filing tax statements** – the deadlines for filing CIT and PIT statements have been postponed to 31 May 2020.
- **Lease freeze –** leases for premises cannot be terminated and rents thereunder cannot be increased until 30 June 2020 (subject to some exceptions). Extension of lease agreements until 30 June 2020 on the basis of the tenant's statement.
- **Lease expiry in large retail facilities** – lease, tenancy, and other similar agreements in retail facilities over 2000 square miles expire, combined with the tenant's obligation to submit to the landlord upon expiry of the ban on trading an unconditional offer to extend the lease for another six months on the same terms and conditions as in place during the period of the ban.

The information provided was obtained in partnership with the following local counsel: Sołtysiński Kawecki & Szlęzak

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Key Liquidity Measures

	Key Features	Eligibility
Lines of credit to support the economy	The Portuguese government has approved the following four credit lines to support the needs of the economy: • COVID Line – Support for Economic Activity / up to EUR 4.5 billion; • COVID Line – Tourism (Resorts and Accommodation) / up to EUR 900 million; • COVID Line – Tourism (Travel Agencies, Tourist Entertainment and Event Organisation) / up to EUR 200 million; and • COVID Line – Catering / up to EUR 600 million. The key terms and conditions are as follows: • Maximum loan amount: microenterprises - EUR 50K; small enterprises - EUR 500K; medium-sized enterprises - EUR 1,500K; mid-cap enterprises – 2,000K. • Maturity: up to six years (up to 18 months grace period); • Spread: 10bps to 15bps (depending on maturity); and • Mutual Guarantee: from 80% (medium enterprises) up to 90% (small and micro enterprises).	Available to micro, small and medium-sized enterprises (and sole proprietors), with SME certification, or small mid-caps and mid-caps that comply with the following eligibility criteria: • have their registered office in Portugal; • engage in activities with an eligible Economic Activities Code (varying to each specific credit line); • have no outstanding debts or other obligations to the Tax Authority or Social Security on 1 March 2020; • net positive position in the last approved balance sheet or in the interim balance sheet up to the date of the application; • no outstanding incidents with the banks and mutual guarantee system; • not be deemed an “undertaking in difficulty” as at 31 December 2019; and • have provided a commitment to maintaining permanent job positions until 31 December 2020.
Line of Credit to Support Treasury Needs for Tourism Microenterprises	The amount of financial support that may be granted by Turismo de Portugal, I.P. to a particular business will be calculated based on an amount of EUR 750 per employee (as of 29 February 2020) multiplied by the period of three months (up to a maximum amount of EUR 20,000 per business). The key terms and conditions are as follows: • Maturity: three years (12-month grace period for principal repayment); and • Repayment: equal quarterly instalments with no remuneratory interest.	Available to microenterprises (employing fewer than 10 people and with annual turnover or total annual balance sheet not exceeding EUR 2 million) with SME certification, that comply with the following eligibility criteria: • engage in tourism activities; • have no outstanding debts or other obligations to the Tax Authority, Social Security and Turismo de Portugal, I.P; • are able to provide evidence that their activity has been negatively affected by the outbreak of COVID-19; • are duly licensed; and • security has been granted by a shareholder.

Key Liquidity Measures

	Key Features	Eligibility
Extraordinary job retention scheme	This scheme will initially apply for a one month period, however it may be extended in exceptional circumstances on a monthly basis (up to a maximum of three months). It covers the following: • **Suspension of the employment contract**: Social Security pays the employer 70% of two-thirds of the gross pay of each covered employee, while the employee receives two-thirds of his/her normal gross pay (up to EUR 1,905), or one national minimum salary, whichever is higher. • **Reduction in working hours**: The employer only pays those hours that are actually worked by an employee. If this amount is less than two-thirds of the normal gross salary or one national minimum salary, then the employee is due salary compensation (Social Security pays 70% and the employer pays 30% of the compensation). Employers benefiting from the above are entitled, while the support continues, to a full exemption from contributions due to Social Security.	Available to all private employers which are subject to “business crisis”, defined as (alternatively): • the partial or total closure of the business or establishment due to the obligation to close premises and establishments; • a complete or partial stoppage in the operations of the business or establishment resulting from a disruption or break in global supply chains or the suspension or cancellation of orders; or • an abrupt and sharp fall of at least 40% in invoicing in the period of 30 days preceding the date of the request to the competent authorities, with reference to the monthly average of the two months prior to this period, or compared to the same period of the previous year.

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Other Measures

A number of other measures have been introduced that may assist businesses including:

- **Moratorium on Financing Agreements** - the moratorium regime allows beneficiary entities to obtain the suspension of payment obligations until 30 September 2020 (including repayment of principal, payment of interest and fees) under: (i) contracts with instalment repayments (the repayment is extended for an equivalent period of the suspension); and (ii) in bullet contracts that mature during this period. The moratorium will only apply to principal repayment (interest will continue to accrue and will be capitalised) and any security associated with the loan(s) subject to the moratorium will also be automatically extended.

- **Extension of deadlines to comply with tax obligations:**
  - The deadline for the special payment on account has been extended to 30 June 2020.
  - The deadline to file the corporate income tax (IRC) return (Form 22) has been extended to 31 July 2020.
  - The deadline for the first payment on account and the first additional payment on account, has been extended to 31 August 2020.
- **Split payment of taxes (VAT and Corporate Tax)**: payment may be split into three (no interest) or six monthly instalments (where no interest accrues to the first three).

- **Deferment of social security payments** - employers may opt to defer any social security payments due between March 2020 and May 2020 (one third of the value of the social security payments must be paid immediately in the month they are due; the remainder is settled in equal and successive instalments, without interest, in the months of July, August and September 2020).
- **Protection from termination of lease agreements (residential and non-residential)** - while the measures to prevent, contain, mitigate and treat the COVID-19 pandemic remain in place, and until 60 days after, the effects of the following (*inter alia*) are suspended: (i) expiry of lease agreements, unless the tenant has no objection; (ii) any revocation or opposition to renewal.

The information provided was obtained in partnership with the following local counsel: PLMJ

Key Liquidity Measures

	Key Features	Eligibility
Grants to SMEs	Government grants (which are not required to be repaid, interest-free) are available to SMEs to cover salary payments for May 2020 and June 2020, fixed at RUB 12,130 per employee.	SMEs engaged in types of business activities approved by the Russian government (*e.g.*, hotels, consumer goods retailers, tourism, entertainment and sports facilities), provided they retain at least 90% of employees.
Credit holiday scheme for SMEs, incentivised by bank subsidies	Until 30 September 2020, SMEs are entitled to request their lending banks to defer performance under any loans for up to six months. State subsidies are available to banks that agree to such deferral: if banks do not charge borrowers 67% of loan interest accrued for up to six months in the period between 1 April 2020 and 31 December 2020, the government will subsidise the banks for 34% of such accrued interest.	SMEs engaged in types of business activities approved by the Russian government (*e.g.*, hotels, consumer goods retailers, tourism, entertainment and sports facilities).
Subsidy incentive to banks to provide interest-free loans	As an incentive to provide interest-free loans to businesses to fund payment of salaries to employees, banks that provide such loans are eligible to receive government subsidies to cover their cost. The subsidies will be provided on a monthly basis for a period of up to six months and will cover the banks' cost of funding of salaries only up the minimum statutory wage rate (subject to relevant regional indexation) and relevant social taxes per employee. The Central Bank (CBR) has also allocated RUB 150 billion to provide funding, at an interest rate of 3.5% p.a. to banks that provide interest-free loans to SMEs.	Legal entities engaged in types of business activities approved by the Russian government (*e.g.*, hotels, consumer goods retailers, tourism, entertainment and sports facilities) are eligible for interest-free loans from participating banks. However, if the relevant bank's funding cost is to be covered by a CBR 3.5% loan, only SMEs are eligible for such interest-free loans. Business loans must satisfy certain requirements: • 0% interest during subsidised period (six months) and up to 4% thereafter; • maximum term of 12 months if entered into between 30 March 2020 and 1 October 2020; and • The loan can only be used to fund employee salary payments.

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Key Liquidity Measures

	Key Features	Eligibility
Financial assistance to systemically important companies and subsidies to the banks that provide such assistance	The Russian government has significantly increased a list of companies that are “systemically important” to the Russian economy (including Russian subsidiaries of foreign companies). “Systemically important” companies are currently undergoing stress testing by the CBR by reference to financial indicators (including liquidity). State support may follow, on a case by case basis. The Russian government has already announced that such support will include debt restructuring of companies operating in the transportation, industry and energy sectors. State subsidies are available to Russian banks that provide loans to “systematically important” companies for their working capital purposes, to cover the banks’ shortfall in revenue as a result of providing such loans. Subsidies are provided if the loan to a “systematically important” company (i) has a maximum interest rate of 5%; (ii) is for no more than RUB 3 billion (subject to other caps based on working capital needs); and (iii) has a term of up to 12 months. The monthly amount of subsidy that can be provided to a bank in respect of any borrower cannot exceed the average daily outstanding debt of such borrower in the relevant month multiplied by the CBR’s key interest rate. Liquidity requirements for “systemically important” banks have also been softened.	“Systemically important” companies are determined by Russian government ministries and include companies from almost all industries (including the transportation, oil and gas, IT, publishing, telecommunications, forest and chemical industry). According to media reports, the Russian government prepared a draft regulation pursuant to which "systematically important" companies (i) incorporated outside of Russia or (ii) 50% of which are owned by foreign shareholders will not be eligible for Russian government support. Other "systematically important" companies seeking state support will be required to disclose their beneficial owners and to provide all business information, including commercial secrets, to the government and meet other relevant criteria. “Systematically important” banks are determined by the CBR.
Facilitated access to state guarantees	In 2020, the Russian government is entitled to access local and international debt markets and issue state guarantees beyond the approved budget to certain companies. The grounds for revocation of state guarantees by the government have been reduced significantly. Creditors are now allowed to claim under state guarantees for accelerated debts of a debtor declared bankrupt prior to termination of administration proceedings. Restrictions have been lifted, such that state guarantees are now available for foreign legal entities, including offshore registered companies, for the purpose of supporting export operations by Russian companies.	Companies approved by the Russian government on a case-by-case basis.

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Other Measures

Rent deferral / reduction

Companies most affected by COVID-19 are entitled to request rent deferrals or reductions during any “high alert” period and are not subject to sanctions for failure to pay.

Airline subsidies

Russian government subsidies will be available to certain airlines to subsidise the cost of maintaining certain routes and to repatriate Russian citizens.

Tax deferrals

Tax payments have been deferred for SMEs most affected by COVID-19. Deadlines for submission of tax returns have been extended.

Audits

The majority of scheduled state audits in 2020 have been terminated. On-site tax audits have been suspended until 31 May 2020.

Licenses

Licenses and permits which expired or would expire between 15 March 2020 and 31 December 2020 have been extended automatically for one year.

Moratorium on bankruptcy proceedings

A moratorium on bankruptcy filings and certain security enforcement has been imposed for at least six months with respect to many categories of companies determined by the Russian government.

To protect the interests of creditors, protected debtors are prohibited from carrying out certain actions that could result in any unjustified extraction of value, including share buybacks and paying dividends.

Any company that falls under the moratorium is entitled to request to be released.

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Key Liquidity Measures

	Key Features	Eligibility
Spanish Export Credit Agency (CESCE) insurance coverage	• For up to six months beginning 17 March 2020, the capacity of the CESCE to provide insurance coverage charged to the Internationalization Risk Reserve Fund (*Fondo de Reserva de los Riesgos de la Internacionalización*) has been increased by EUR 2 billion.	Companies must meet the following criteria to be eligible: • the company is not listed; • the company's international business represents at least one-third of turnover or the company has regularly exported during the last four years; • the company has liquidity difficulties derived from COVID-19; and • the company is not in bankruptcy or pre-bankruptcy and does not have debts outstanding past their due date owing to public sector companies or to public administrations.
State guarantee for financing	• Until 31 December 2020, the Ministry of Economic Affairs and Digital Transformation may grant guarantees for up to EUR 100 billion for financings to meet liquidity needs.	• Companies of all sizes and the self-employed.
Official Credit Institute (ICO) financing	• The ICO's capacity to grant financing through existing ICO financing lines has been increased by EUR 10 billion. The ICO may adopt measures to make the financing available more flexibly and extensively.	• Companies (especially SMEs) and the self-employed.
Moratorium on rental payments for tenants of commercial leases	A moratorium applies on rental payments for tenants of commercial leases: • In respect of landlords classified as large holders (an individual or legal entity that owns more than 10 urban properties, excluding garages and storage rooms, or a constructed area of more than 1,500 square meters) and public housing companies/entities, the moratorium can be for up to four months. Payment of amounts subject to the moratorium must be made within two years. • In respect of other landlords, the moratorium can be for up to two months (to be applied against the statutory two months rent deposit). The rent deposit must be reimbursed to the landlord within one year.	Self-employed individuals whose activity has been suspended by virtue of the state of alarm declared in Spain, or whose turnover has been reduced by at least 75% during the previous month. Small companies: • meeting certain size thresholds (for instance, having an annual turnover not exceeding EUR 8 million and not having more than 50 employees on average over a year); and • whose activity has been suspended by virtue of the state of alarm declared in Spain or whose turnover has been reduced by at least 75% during the previous month.

Other Measures

A number of other measures have been introduced that may assist businesses including:

- **Exemption from paying social security contributions** – whilst a temporary layoff scheme (ERTE) due to force majeure is in place, the Spanish Social Security General Treasury can exempt employers from paying company contributions and joint collection items. If the company had fewer than 50 employees on 29 February 2020, it will be released from paying 100% of contributions. If the company had 50 employees or more on 29 February 2020, it will be released from paying 75% of contributions.
- **Moratorium on social security contributions** – companies (and self-employed workers) may request a six-month moratorium on social security contributions. In respect of companies, the moratorium applies between April 2020 and June 2020, provided the activities they carry out have not been suspended due to the state of emergency. This moratorium will not be applicable to contributions exempt under an ERTE (see above).
- **Social security debt deferment** – companies (and self-employed workers), provided they do not have any other deferral in place, may apply for deferred payment of their social security debts due between April 2020 and June 2020, with an interest charge of 0.5%.
- **Moratorium on insolvency and bankruptcy** – during the state of emergency declared in Spain, debtors will not be obliged to apply for bankruptcy. The courts will not admit any bankruptcy applications for two months after the end of the state of emergency declared in Spain.
- **Institute for Energy Diversification and Saving (IDAE) loans/grants** – the IDAE may defer payments of instalments under reimbursable grants or loans of debtors meeting the relevant criteria.
- **Litigation extension** – extension of litigation terms and time limits are applicable in all jurisdictions, with the exception of certain (mainly urgent) cases.
- **Public contracts –** certain provisions of public contracts have been extended or amended.
- **Tax measures**
  - SMEs in certain circumstances can request the postponement of payment of tax liabilities of up to EUR 30,000.
  - Deadlines and time limits applicable to certain tax procedures and enforcement of certain tax liabilities have been extended.
  - 0% VAT rate is applicable to supplies, imports and EU-acquisitions of certain goods required for COVID-19 treatment.
  - Companies with a net turnover in FY19 not higher than EUR 6 million may request the use of the current year's accounting results to calculate corporate income tax.

The information provided was obtained in partnership with the following local counsel: Araoz & Rueda Abogados (Madrid)

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Key Liquidity Measures

	Key Features	Eligibility
Increased loan facilities and credit guarantees	The Swedish government has presented a range of measures to make it easier for Swedish small- and medium-sized businesses to access financing: • Increased lending to SMEs through a SEK 3 billion capital contribution to Almi Företagspartner AB (Almi). Increased state-supported and commercial credit to Swedish export companies by the Swedish Export Credit Corporation's (Sw. Svensk *Exportkredit*) (SECC) up to a total of SEK 200 billion. • Expansion of credit guarantees issued by the Swedish Export Credit Agency (Sw. *Exportkreditnämnden*) (EKN) up to a total of SEK 500 billion.	• **Almi** – Sweden based SMEs (in order for a SME to qualify as Sweden based, the company must have business operations in Sweden). Companies with more than 250 FTEs are not eligible. • **SECC** – SECC provides finance to export companies with turnover exceeding SEK 200 million and the customers of such companies. • **EKN** – EKN insures export companies and banks against the risk of nonpayment in export transactions. Small- and medium-sized export companies, major export companies and their suppliers are eligible.
EKN guarantees	EKN will provide support to Swedish exporting companies through the guarantee of bank loans up to the following amounts: • SMEs: new guarantee coverage of 80% of the banks' risk in working capital financing. • large companies: new guarantee coverage of 75% percent of the banks' risk in working capital financing. EKN has also implemented a new guarantee for sub-suppliers in order to ensure that such sub-suppliers are paid more quickly and securely.	• **Guarantee coverage of 80%** – small and medium exporting companies and their sub-suppliers with turnover of less than SEK 5 billion. • **Guarantee coverage of 75%** – large companies with turnover of SEK 5 billion or more. • **New guarantee for sub-suppliers** – this guarantee is offered in relation to sub-suppliers of large companies.
Loan guarantees for small and medium-sized enterprises	The central government will guarantee up to 70% of new bank loans provided to companies that are experiencing financial difficulty due to the COVID-19 virus but that are otherwise robust. There is a limit of SEK 75 million per borrower. The Swedish National Debt Office (Sw. *Riksgälden*) may grant exemptions from this limitation.	• Nonfinancial companies with their main operations or domicile in Sweden are eligible. • There is no formal limit on company size; however, the COVID-19 virus must have adversely affected the company's finances.

Sweden (cont.)

Key Liquidity Measures

<table>
<tr><th></th><th>Key Features</th><th>Eligibility</th></tr>
<tr><td>Short-term layoffs</td><td>Swedish employers may reduce the working hours of employees with a corresponding reduction in salary as set out below. The employer may claim support from the Swedish Agency for Economic and Regional Growth (Sw. Tillväxtverket) covering approximately 50 percent of the salary costs, up to a monthly salary of SEK 44,000.
<table>
<tr><td>Reduction in hours</td><td>20%</td><td>40%</td><td>60%</td><td>80%</td></tr>
<tr><td>Reduction in salary</td><td>4%</td><td>6%</td><td>7.5%</td><td>12%</td></tr>
</table>
*Proposed to apply during three months beginning 1 May 2020.</td><td>Not eligible:

the central government, county councils, municipalities and local government associations, and companies primarily financed by public funds;
limited liability companies, partnerships, associations and foundations over which the central government, a county council, municipality or association of local authorities has controlling influence (ownership), unless the activities relate to commercial business activities; and
companies that, at the time of the application, are required to prepare a balance sheet for liquidation purposes (due to capital deficiency), are undergoing restructuring or are subject to bankruptcy or insolvency proceedings.

In addition, the Swedish Agency for Economic and Regional Growth has indicated that companies making dividend distributions should not be eligible for receiving the support, and there is also an ongoing debate about whether companies making bonus payments also should be disqualified. The Swedish authorities are expected to provide further guidance on how the restrictions against dividend payments should be interpreted (e.g., whether intra-group dividends should be permitted for companies receiving the support).</td></tr>
<tr><td>Loan facilities offered by the Riksbank</td><td>The Riksbank is offering Swedish banks up to SEK 500 billion against collateral for onward lending to nonfinancial companies operating in Sweden. The loans will be granted at a variable interest rate equivalent to the Riksbank’s repo rate (currently 0%), and will have a maturity of 2 years.</td><td>Sweden based nonfinancial companies.</td></tr>
<tr><td>The Riksbank to purchase commercial paper</td><td>The Riksbank is purchasing commercial paper issued in Swedish krona by Swedish nonfinancial companies up to a total nominal amount of SEK 32 billion.</td><td>Sweden based nonfinancial companies with a credit rating equivalent to Baa3/BBB- or higher.</td></tr>
</table>

Other Measures

- **Temporary reduction of employers' social security contributions and individual contributions** – for up to 30 employees per company and in respect of a maximum salary of SEK 25,000 per month. This entails tax relief of up to SEK 5,300 per employee per month from March 2020 to June 2020 up to a total reduction of SEK 636,000 per company.
- **Respite for taxes and fees** – companies that are financially affected by the COVID-19 virus can apply for a payment respite for one year from the date of the decision. The respite is valid for up to three accounting periods between January and September 2020.
- **Sick pay costs –** the Swedish government will pay the entire cost for employees' sick pay during April and May 2020.
- **Temporary discount for rental costs in vulnerable sectors –** in order to facilitate and speed up renegotiation of rents in sectors with considerable difficulties as a result of the COVID-19 virus, the Swedish government will fund 50% of the rent reduction.
- **US dollar-swap agreement** – the Riksbank has entered into a currency swap agreement with the Federal Reserve in order to improve access to US dollars for banks and their customers.
- **Airline credit guarantees** – the Swedish National Debt Office offers airlines credit guarantees in the aggregate amount of up to SEK 5 billion (of which SEK 1.5 billion is intended for SAS AB) during 2020.
- **Purchase of government bonds** – the Riksbank has acquired government bonds.

The information provided was obtained in partnership with the following local counsel: Roschier, Attorneys Ltd.

Key Liquidity Measures

	Key Features	Eligibility
Federal Covid-Loan Bridge Loan Programme: Covid Loan	Loans up to CHF 500,000 (no more than 10% of 2019 turnover) per applicant, granted by participating Swiss banks, 100% guaranteed by the Swiss federal government by means of joint surety (*Bürgschaft*). • Initially interest free. However, interest rate could be adjusted from 31 March 2021. • Five-year term but can be extended by bank by up to two years. • Bullet repayment of principal. • Early cancellation by bank only permitted for regulatory or legal reasons. • Specific purpose is to secure liquidity. No investments in fixed assets permitted. • Covenants include: no dividend distribution or royalty payments, no reimbursement of capital contributions, no refinancing of shareholder loans, no repayment of intra-group loans, no loans to group companies.	Sole proprietorships, partnerships or legal entities with registered office in Switzerland, as well as Swiss group companies belonging to a foreign group of companies are eligible provided that they: • were established before 1 March 2020; • are not in bankruptcy, composition proceedings or in liquidation; • are affected economically by the COVID-19-pandemic, notably in terms of turnover; and • have not already received other liquidity guarantees based on support programs.
Federal Covid-Loan Bridge Loan Programme: Covid Loan Plus	• Loans in amounts exceeding CHF 500,000 (no more than 10% of 2019 turnover) up to a maximum of CHF 20 million per applicant, granted by participating Swiss banks, 85% guaranteed by the Swiss federal government by means of joint surety (*Bürgschaft*). • Preceded by credit check. • Interest at 0.5% on amount guaranteed by federal government. Interest rate could be adjusted from 31 March 2021. Interest on remaining 15% subject to negotiation. • Five year term but can be extended by bank by up to two years. • Bullet repayment of principal. • Purpose and covenants consistent with Covid Loan Programme detailed above.	Eligibility consistent with Covid Loan Programme detailed above.

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Other Measures

Support for start-up companies

New support programme for start-up companies to be established.

Key features:

- 65% of loans guaranteed by the Swiss federal government by means of joint surety (*Bürgschaft*), 35% guaranteed by relevant Canton.

Support for employers/employees

From 17 March 2020 Swiss companies can apply (via their insurer) for compensation covering 80% of an employee's wages following a reduction in working hours as a result of the COVID-19 crisis.

Key features:

- The scheme is capped at a salary amount of CHF 12,350 per month.
- The scheme is available to employees on fixed, temporary and apprenticeship contracts.
- In order to be eligible, companies must provide evidence that there is a causal link between the decrease in work and the COVID-19 crisis.

Swiss insolvency and restructuring measures resolved 16 April 2020

The measures include:

- a suspension of the duty of directors to notify the bankruptcy court in case of over-indebtedness;
- a new COVID-19 moratorium for small and medium-sized enterprises; and
- amendments to the existing restructuring regime such as an extension of the duration of the provisional moratorium to six months.

These additional measures entered into force on 20 April 2020 and will remain effective for a period of six months, (*i.e.*, until 20 October 2020).

Reduction of late interest payment rates on federal taxes

- Payment of direct federal tax (corporate income tax) for 2019 was due on 31 March 2020. Any payment after this date is, in general, subject to a late payment of interest of 3% p.a.
- Other taxes, such as VAT, are due for payment 60 days following the end of a calendar quarter, bearing a late payment interest of 4% p.a.
- In light of the COVID-19 outbreak, the Swiss Federal Council decided to reduce late interest payment rates to 0% for the direct federal tax, VAT, customs duties, special consumption taxes and incentive taxes.
- The interest reduction is applicable for the period from 1 March to 31 December 2020 (for the direct federal tax) or the period from 21 March 2020 to 31 December 2020 (for VAT and similar taxes), respectively.

The information provided was obtained in partnership with the following local counsel: Homburger AG

Key Liquidity Measures

	Key Features	Eligibility
Coronavirus Business Interruption Loan Scheme (CBILS)	• The UK government will provide lenders with a guarantee of 80% on each loan to give lenders further confidence in continuing to provide loans of up to £25 million. • Repayment terms of up to six years for a term loan or asset financing and three years for others. • Access to the scheme is via commercial lenders — no direct finance provided by the UK government to businesses. • The UK government will also make a Business Interruption Payment to cover the first 12 months of interest payments and any lender-levied fees.	UK-based SME businesses are eligible for support if they: • have an annual turnover of no more than £45 million; • operate within an eligible business sector*; • are unable to meet a lender's normal lending requirements for a fully commercial loan or other facility, but would be considered viable in the longer-term; and • were not classed as a 'business in difficulty' on 31 December 2019, if applying to borrow £30,000 or more. *Businesses from the following sectors are not eligible: • Credit institutions (falling within the remit of the Bank Recovery and Resolution Directive); building societies; insurers and reinsurers (but not insurance brokers); public-sector bodies; and further-education establishments if they are grant-funded, state-funded primary and secondary schools.
Coronavirus Large Business Interruption Loan Scheme (CLBILS)	• The UK government will provide lenders with a guarantee of 80% on each loan to give lenders further confidence in continuing to provide loans of up to £25 million. • Repayment terms limited to a maximum of three years. • Access to the scheme is via commercial lenders — no direct finance provided by the UK government to businesses. • It is not possible to benefit from both the CLBILS and CCFF schemes.	UK-based businesses are eligible for support if they: • have an annual turnover of between £45 million and £500 million; however, if a business has an annual turnover of £250 million, it can apply for up to £50 million; • operate within an eligible business sector*; and • are unable to meet a lender's normal lending requirements for a fully commercial loan or other facility, but would be considered viable in the longer-term. *Businesses from the following sectors are not eligible: • Credit institutions (falling within the remit of the Bank Recovery and Resolution Directive); building societies; insurers and reinsurers (but not insurance brokers); public-sector bodies; and further-education establishments if they are grant-funded, state-funded primary and secondary schools.

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Key Liquidity Measures

	Key Features	Eligibility
COVID Corporate Financing Facility (CCFF)	Under the CCFF, the Bank of England will provide funding to large businesses by purchasing commercial paper (unsecured, short-term debt) with a maturity of between one week and 12 months. • The CCFF will offer financing on terms comparable to those prevailing in markets before COVID-19. • Bank of England will purchase commercial paper at a spread over the current overnight index swap rate on the day of purchase. • Spreads (as of 23 March 2020) are: - A1/P1/F1/R1 – 20bps - A2/P2/F2/R2 – 40bps - A3/P3/F3/R3 – 60bps • Additional spread of 5bps for any secondary market purchases.	Businesses that make a "material contribution" to the UK economy are eligible (leveraged investment vehicles, banks and building societies are excluded). The CCFF will purchase sterling-denominated commercial paper with the following characteristics: • maturity of one week to 12 months; • where available, a credit rating of A-3/P-3/F-3/R3 from at least one of Standard & Poor's, Moody's, Fitch and DBRS Morningstar as at 1 March 2020; • issued directly into Euroclear and/or Clearstream; and • governed by English law and subject to the jurisdiction of the English courts. The CCFF will not accept commercial paper with nonstandard features, such as extendibility or subordination, for example.
Coronavirus Job Retention Scheme	• Allows UK employers to claim 80% of furloughed employees' usual monthly wage costs (capped at £2,500 a month), plus the associated Employer National Insurance contributions and minimum automatic enrolment employer pension contributions on that wage, from the UK government. • Wages will be backdated to 1 March 2020 and will run for an initial period of three months. • Applications for UK employers opened on 20 April 2020.	Covers any employer, business, charity or nonprofit organisation in the UK, applying to businesses of all sizes.

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Other Measures

A number of other measures have been introduced that may assist businesses including:

- **Deferral of VAT** – payments falling due between 20 March and 30 June 2020 can be deferred to 31 March 2021.
- **Business rate relief** – applicable to businesses in the hospitality, retail and leisure sector for the period between 1 April 2020 and 31 March 2021.
- **Protection from forfeiture on commercial leases** – a landlord may not exercise right of forfeiture until at least 30 June 2020.

- **Suspension of wrongful trading provisions** – the wrongful trading provisions of the Insolvency Act 1986 provide that directors of limited liability companies can become personally liable for business debts if they allow the company to continue to trade once insolvent administration or liquidation becomes unavoidable. UK wrongful trading provisions will be suspended between 1 March 2020 and 31 May 2020 to ensure that directors are able to take decisions to continue to trade and incur additional debt, including utilising the new government funding initiatives, without the threat of potential personal liability in respect of wrongful trading should the company ultimately fall into insolvency.
- **Moratorium period** – the UK government has announced that they will bring forward legislation to implement a short moratorium for companies in financial difficulties. No legislation has yet been published.

- **Future Fund** - the UK government has announced that it will launch a new scheme in May 2020 to provide convertible loans (on a matched basis alongside other third-party investors) to innovative, unlisted UK registered companies in an amount between £125,000 and £5 million and for a maximum term of three years. The funding will be available for working capital purposes only (not repayment of other debt) and will contain conversion rights upon the occurrence of certain events (including on a sale or an initial public offering of the company). Interest will be a minimum of 8% per annum, payable on maturity of the loan. The loan will also contain a most favoured nation provision and limited corporate governance rights.

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Key Liquidity Measures

The Federal Reserve utilised its emergency lending authority to implement multiple lending programmes, including the three programmes summarised in the table below, each of which involve the extension of credit by Federal Reserve vehicles with proceeds to be received directly by individual businesses.

	Key Features	Eligibility
Main Street New Loan Facility (MSNLF)	• Borrower applies for and obtains a qualifying loan from a US FDIC-insured depository institution or its US parent company: - Maximum loan size is lesser of: (i) USD 25 million; or (ii) an amount that, when added to the borrower's existing (a) outstanding debt and (b) committed but undrawn debt, does not exceed four times the borrower's 2019 EBITDA. • SPV, backed by the Federal Reserve and Treasury, will purchase from the lender at par a 95% participation in the qualifying loan. • Borrower must attest that "*it requires financing due to the exigent circumstances presented by COVID-19 and that, using proceeds of the programme loan, it will make reasonable efforts to maintain its payroll and retain its employees during the term of the programme loan*". • Programme imposes conditions to ensure that programme loan is not used to repay or refinance pre-existing loans or lines of credit and that pre-existing lines of credit are not reduced or cancelled. • Borrower subject to additional restrictions on buybacks, capital distributions and compensation.	• Borrower either has no more than 10,000 employees or had no more than USD 2.5 billion in 2019 revenues. • Borrower must not be insolvent. • Borrower is "*unable to secure adequate credit accommodations from other banking institutions*". • Borrower must meet basic criteria related to US presence. • Borrower may not also participate in the MSELF or the PMCCF (as discussed below).

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Key Liquidity Measures

	Key Features	Eligibility
Main Street Expanded Loan Facility (MSELF)	• Borrower applies for and obtains from the same eligible lender (*i.e.*, a US FDIC-insured depository institution or its US parent company) on its existing term loan an "upsized tranche" that meets the requirements of the programme: - Maximum size of upsized tranche is lesser of: (i) USD 150 million; (ii) 30% of the borrower's existing (a) outstanding bank debt and (b) committed but undrawn bank debt; or (iii) an amount that, when added to the borrower's existing (a) outstanding debt and (b) committed but undrawn debt, does not exceed six times the borrower's 2019 EBITDA. • SPV, backed by the Federal Reserve and Treasury, will purchase from the lender at par a 95% participation in the upsized tranche. • Borrower must attest that "*it requires financing due to the exigent circumstances presented by COVID-19 and that, using proceeds of the upsized tranche, it will make reasonable efforts to maintain its payroll and retain its employees during the term of the upsized tranche*". • Programme imposes conditions to ensure that upsized tranche is not used to repay or refinance pre-existing loans or lines of credit and that pre-existing lines of credit are not reduced or cancelled. • Borrower subject to additional restrictions on buybacks, capital distributions and compensation.	• Borrower has an existing term loan made by a US FDIC-insured depository institution or its US parent company that was originated before 8 April 2020. • Borrower either has no more than 10,000 employees or had no more than USD 2.5 billion in 2019 revenues. • Borrower must not be insolvent. • Borrower is "*unable to secure adequate credit accommodations from other banking institutions*". • Borrower must meet basic criteria related to US presence. • Borrower may not also participate in the MSNLF or the PMCCF (as discussed below).

USA (cont.)

Key Liquidity Measures

	Key Features	Eligibility
Primary Market Corporate Credit Facility (PMCCF)	• SPV, backed by the Federal Reserve and Treasury, will purchase: - eligible bonds in new issuance as sole investor; and - up to 25% of eligible syndicated loans and bonds as part of a syndicate.	• Issuer/borrower must be investment-grade rated by eligible NRSRO (BBB-/Baa3 or better); if investment-grade on 22 March 2020, but subsequently downgraded, must be BB/Ba3 or better at time of programme purchase. • Issuer/borrower must not be insolvent. • Issuer/borrower has not received “specific support” pursuant to CARES Act or any subsequent federal legislation. • Issuer/borrower is “*unable to secure adequate credit accommodations from other banking institutions*”. • Issuer/borrower is not an FDIC-insured depository institution or its parent company. • Issuer/borrower must meet basic criteria related to US presence. • Issuer/borrower may not also participate in the MSNLF or the MSELF.

Other Measures

Other Federal Reserve lending programmes

- In addition to the three Federal Reserve programmes summarised above, there are other Federal Reserve programmes that are more focused on providing liquidity to various areas of the financial markets, including corporate bonds, asset-backed securities, commercial paper, money market mutual funds, and state and municipal obligations.

Specific industry support

- The US Treasury is authorised to provide more than USD 45 billion of support in the form of grants and loans to (i) passenger air carriers and certain related businesses, (ii) cargo air carriers and (iii) businesses critical to maintaining national security.

Support to small businesses

- Approximately USD 350 billion was initially allocated to the US Small Business Administration (SBA) to support small businesses through SBA-administered programmes, including the Paycheck Protection Program (PPP). While banks began accepting applications for PPP loans on 3 April 2020, the programme ran out of funds on 16 April 2020. On 24 April 2020, approximately USD 310 billion in additional funds for the PPP was allocated to the US SBA. Among other requirements, a business must generally have no more than 500 employees to be eligible for a PPP loan.

Contacts

Skadden

Clive Wells
Partner, Banking

+44 20 7519 7133
clive.wells@skadden.com

Pete Coulton
Partner, Banking

+44 20 7519 7082
pete.coulton@skadden.com

Andrew Brown
Counsel, Banking

+44 20 7519 7145
andrew.brown@skadden.com

Dominic McCahill
Partner, Corporate Restructuring

+44 20 7519 7018
dominic.mccahill@skadden.com

Peter Newman
Partner, Corporate Restructuring

+44 20 7519 7061
peter.newman@skadden.com

James Falconer
Counsel, Corporate Restructuring

+44 20 7519 7214
james.falconer@skadden.com

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