

COVID-19

WHAT PUBLIC FINANCE SUPPORT (STATE AID) IS AVAILABLE IN THE EU, EEA, AND UK*?

- While the COVID-19 outbreak is a severe public health emergency for citizens and societies, it also poses the risk of a serious downturn in the economy, affecting businesses, jobs, and households.
- In these exceptional circumstances, undertakings of all kinds may face a sudden shortage or even unavailability of liquidity, may suffer damages directly caused by the measures taken to tame the spread of the virus, or may struggle to preserve the continuity of economic activity during and after the outbreak.
- Given the limited size of the EU budget, the main financial support comes from Member States' national budgets. Therefore, undertakings seeking to benefit from financial support offered by a Member State will need to do so mainly through processes set out by the relevant national authorities.
- However, under EU rules, any public intervention from Member States that provides a selective advantage to one or more companies and may distort competition and trade within the EU single market qualifies as **State aid** and it is prohibited unless specifically authorized by the European Commission (EC).

- The chart below sets out some of the options available to Member States to grant support measures in line with EU State aid rules. Similar State aid rules apply to the EEA countries: Norway, Iceland, and Lichtenstein.
- The first category of measures concerns support that can be granted immediately by Member States without the EC's involvement. This includes no-aid measures that fall outside the scope of EU State aid control (e.g., support applicable to all undertakings or directly to consumers). This category also includes aid measures that are exempted from notification as *de minimis*, are covered by the General Block-Exemption Regulation (GBER), or are part of certain repurposed schemes already approved (**option A**).
- In addition, aid falling under three further categories can be granted if notified to and approved by the EC:
 - Liquidity support such as loans and guarantees for cash-flow shortfalls granted to small- and medium-size enterprises (SMEs) and large undertakings (**option B**)
 - Compensation for damages caused directly by COVID-19, which can also be granted for specific sectors particularly hit by the outbreak (e.g., transport, entertainment and culture, tourism and hospitality, retail, and banks) (**option C**)
 - Support to remedy the serious disturbance to the Member States' economy caused by COVID-19. Similarly to the 2008 financial crisis, the EC has adopted a specific Temporary Framework, in force until the end of 2020, to allow temporary aid measures such as liquidity schemes, guarantees on bank loans or subsidized public loans, safeguards, and aid through and for banks. On 3 April, the EC extended the Temporary Framework to also allow support for research, testing facilities, and medical products related to COVID-19, as well as targeted wage subsidies, deferral, or suspension of taxes and social contributions for regions or sectors that have been hit the hardest. Under the Temporary Framework, all countries are removed from the list of "marketable risk countries" until end-2020 in relation to short-term export credit insurance. On 8 May, the EC approved a second amendment to the Temporary Framework to also include recapitalization and subordinated debt measures for non-financial companies. (**option D**)

- Before receiving any financial support, companies should confirm that this complies with all relevant EU State aid requirements. In particular, they should make sure that Member States' authorities have notified (and the EC has approved) the support, or that this is exempted from notification. The EC is approving COVID-19-related aid measures within a matter of days.
- Companies should carefully evaluate the risk of receiving aid that has not been approved (illegal aid) as this might have to be reimbursed with compound interests.
- Competitors and other interested parties that are aware of illegal aid being granted can lodge complaints to the EC or litigate before national courts. The EC can also launch investigations on its own initiative. Particular attention should be given to measures apparently addressed for the COVID-19 crisis but in reality aimed to support already unviable companies.
- Companies should ensure that the relevant support measures comply with all requirements under national rules. The chart below includes a summary of measures that are available per Member State and – wherever possible – to which of the four category before they belong.
- Latham & Watkins lawyers can advise clients on EU and national aspects on these matters. For more details, please consult the Contact indicated in each jurisdiction.

* References to "EU Member States" should be read as including the UK, as EU State aid rules continue to apply to and in the UK until the end of 2020.

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PUBLIC FINANCE SUPPORT ENACTED (AS OF 18 MAY 2020)

Is the company operating in any of the 27 EU Member States, Norway, Iceland, Lichtenstein, or the UK?

NO

The company should check what financial support is available from the governments of the countries where it operates.

YES

EU and EEA law allow public authorities in Member States to grant financial support under specific conditions.

Consider the following options:

A. Aid to be granted immediately, with no need to notify the EC

- Relief applying to all companies and self-employed, e.g., wage subsidies, deferral, or suspension of taxes and/or social contributions, temporary lay-off schemes
- Compensation directly to consumers, e.g., for cancelled and not reimbursed services or tickets
- Loans/guarantees at market rates (proxies exist for SMEs to determine market rate)
- Purchase existing share at market price or invest *pari passu* with private shareholders
- *De minimis* aid: not more than €200,000/three years for most sectors; grants; subsidized loans up to:
 - €1 million/five years or subsidized guarantees for loans €1.5 million/five years
- Certain aid falling under the scope of the GBER

B. Liquidity support for companies in difficulty (Rescue and Restructuring (R&R) Guidelines / 61(3)(c) EEEA)

- For SMEs and all small public companies:
 - Loans and guarantees, e.g., covering operating cash-flow shortfalls up to 18 months
 - No notification required
- For large undertakings
 - Loans and guarantees, e.g., covering operating cash-flow shortfalls up to six months
 - Notification to EC required
- If a company already received R&R aid in the last 10 years, the EC may waive prohibition of no further aid ("one time last time") and still accept it
 - Individual notification to the EC required

C. Compensation for damage caused directly by COVID-19 (Article 107(2)(b) TFEU / 61(2)(b) EEEA)

- In the form of grants
- Covering all costs directly caused, e.g.,
 - Income loss
 - Operating losses
- Proof of causal link required
- No other aid for the same costs
- No unrelated costs or costs covered by insurance/litigation
- Notification to the EC required, but no EC discretion for 'balancing test' of compatibility
- "One time last time" for previous R&R aid does not apply (see option B)
- Examples of sectors:
 - Air, land, and sea transport, assessed on a case-by-case basis
 - Entertainment and sports (cancellation of events)
 - Tourism and hospitality
 - Retail
 - Banks (compensation does not trigger Banking Union rules)

D. Support to remedy serious disturbance to the economy of a Member State (Art. 107(3)(b) TFEU / 61(3)(b) EEEA)

- The EC adopted a Temporary Framework until the end of 2020 with the possibility of extension.
- Additional Member States' temporary measures covered
 - Recapitalization schemes or individual measures for non-financial companies in need — separate notification required for individual aid over €250 million under approved scheme
 - Schemes for targeted wage subsidies and suspension or deferral of taxes and/or social contributions for hardest hit regions, sectors, or types of undertakings
 - Liquidity support up to €800,000 before tax per company
 - Support for COVID-19 related R&D
 - Support including loss cover guarantee for construction/upscaling of testing facilities and investment aid for production of medical products
 - Subsidized public loans or subordinated debt, or public guarantees on bank loans
 - Safeguards for aid channeled through banks — Banking Union rules are not triggered
 - No burden sharing for shareholders/sub-debt for COVID-19-related bank recapitalizations or impaired asset measures
 - Public short-term credit insurance, also for exports to EU, EEA, and OECD countries
- Notification to the EC required
- Potential cumulation of various measures above, and with *de minimis* and GBER aid
- Beneficiaries already in difficulty before 2020 are not eligible (except for wage subsidies and tax deferral schemes)

For financial support to be legal, it must be granted in accordance with both national and EU/EEA rules. Companies should confirm that Member States' authorities have cleared any aid with the EC and/or that the aid complies with EU rules. Companies should carefully evaluate the risk of receiving illegal aid, as it can lead to a situation in which an authority might be compelled to recover the aid with interest from any recipient.

PUBLIC FINANCE SUPPORT
ENACTED (AS OF 18 MAY 2020)

Member State	Measure & Budget	State Aid assessment
<p>BELGIUM (differences exist between the regions)</p> <p>Measures are in flux, and packages are updated frequently</p>	<p>For all undertakings</p> <p>Extended use of the “temporary unemployment” regime – Employers are allowed to suspend employment contracts or reduce the to be performed hours. During the suspension or “decrease” period, the employer is exempt from the obligation to pay the employee’s salary, and the government covers the salary (coverage limited). The period currently covered is 13 March – 30 June. How to obtain? Complete required form and submit with relevant government service.</p> <p>Guarantee scheme (Federal government) – Banks agreed to offer a credit packages of €50 billion (maximum budget of €38.5 billion).</p> <ul style="list-style-type: none"> • Applicable to all new credit issued with a maximum duration of 12 months • Open to all undertakings that did not have any payment issues on 1 February or had a maximum payment delay of 30 days on 29 February. • SMEs will have to pay the state a compensation 0.25%, and non-SMEs 0.5%. • The state guarantees 0% of the first 3% of credit losses, 50% of the credit losses between 3% and 5%, and 80% of the credit losses above 5%. • In addition, on existing credit lines a deferral of payment will be granted until 30 September if the undertaking can demonstrate payment issues. • How to obtain? Through a bank or credit company. <p>Postponement or payment plans for certain social charges and certain taxes – How to obtain? Complete the required form and submit it to the relevant government service.</p> <p>Bankruptcy protection – Temporary suspension of creditors’ ability to request bankruptcy of debtors and confiscate their means (on the condition that the debtor was not experiencing financial difficulties as of 18 March 2020). In addition, directors are no longer obliged to file for bankruptcy in case of liquidity issues. Finally, agreements cannot be terminated in the event of non-payment. These measures will be applicable until 17 June but an extension is possible.</p>	<p>Option A <i>General measure</i></p> <p>Option D <i>EC clearance decision issued on 11 April 2020</i></p> <p>Option A <i>General measure</i></p> <p>Option A <i>General measure</i></p>
	<p>Flemish region measures</p> <p>“Nuisance allowance” – Allowance for all undertakings that are required to close</p> <ul style="list-style-type: none"> • A €4,000 allowance per “office”/“shop,” with a maximum of five allowances — for the first 21 days of required closing, afterwards €160/day. Undertakings which are not obliged to close but have a loss of turnover of at least 60% compared to last year from 14 March to 30 April, receive a €3,000 allowance. • Conditions: “Office”/“shop” must employ at least one full-time employee (owner counts as an employee). • How to obtain? Complete the online form within 30 days after the end of the closed period. <p>Extension of guarantee schemes:</p> <ul style="list-style-type: none"> • For guarantees less than €1.5 million (€100 million extension of PMV/z scheme) – Guarantee of up to 75% in exchange for a one-off premium of 0.25%. The COVID-19 extension of the scheme ensures that undertakings can also receive a bridging loan guaranteed for existing non-bank debts (up to 12 months). How to obtain? By explaining to participating banks and leasing companies how the request is a consequence of the COVID-19 crisis. • For guarantees greater than €1.5 million (€1.5 billion extension of Gigarant scheme) – Guarantee of up to 80% in exchange for an individual determined premium. Conditions: Must not be experiencing financial difficulties as of 31 December 2019; must not be eligible for federal support; maximum term of six years; and guaranteed amount limited in line with European rules. <p>Subordinated loans with 3-year term up to €3.5 million (€250 million). This measure will only be open for SMEs that are considered to have been financially healthy before the COVID-19 crisis and have (or in the short term aim to have) 80% of their employees effectively working.</p>	<p>Option A <i>De minimis</i></p> <p>Option A <i>De minimis</i></p> <p>Option D <i>EC clearance decision issued on 9 April 2020</i></p> <p>Option D <i>EC clearance decisions issued on 5 and 11 May 2020</i></p>

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	<p>For undertakings active in:</p> <p>Travel sector</p> <ul style="list-style-type: none"> • Temporary derogation from the obligation to reimburse travelers for cancelled vacation packages, provided that the operator provides the traveler with a voucher of equal monetary value valid for at least one year (and being cash convertible after one year) • Insolvency insurance is obliged to cover issued vouchers <p>Event sector</p> <ul style="list-style-type: none"> • Right to temporarily not refund: If the same event is organized at a later date within a reasonable period (except if the consumer can prove that he/she cannot attend the event at the later date) • Extended reimbursement period: If the event cannot be organized at a later date, the organization will be granted a sufficient period of time for reimbursement so that reimbursements can be spread over time • Right to retain subsidies received from the Brussels region under certain conditions: Events subsidized to promote “the image of Brussels” or “sport, equal opportunities and/or social cohesion,” have the right to retain full subsidy (or having grant assessed on basis previous subsidy request) if the event is delayed and right to use (part) of the subsidy to pay non-cancellable expenses if the event is cancelled 	
	<p>For self-employed individuals:</p> <ul style="list-style-type: none"> • Postponement or payment plans for certain social charges and certain taxes • Replacement income for one who has to interrupt his/her self-employed activity due to the COVID-19 crisis or is forced to close his/her business • How to obtain? Complete the required form and send it to the social security fund. 	<p>Option A <i>general measure / de minimis</i></p>
	<p>Walloon region measures</p> <p>Lump sum allowance (€233 million) — Allowance for all undertakings that are obliged to close</p> <ul style="list-style-type: none"> • €5,000 per company. • Conditions: Must be a micro- or small undertaking; must have activities pre-dating 12 March 2020; and must have undertaken paid social contributions in previous years • How to obtain? Complete the online form. <p>Delayed payment or payment plan for water and electricity bills</p> <p>Loans and guaranties by several agencies — Exact modalities will depend on the size of the undertaking</p> <ul style="list-style-type: none"> • Rapid granting of loans equivalent to loans granted by banks (1:1 principle) • Loans of up to €200,000 (without private counterpart) to support corporate cash flow • Guarantees (€530 million) <ul style="list-style-type: none"> • Conditions: Must not be experiencing financial difficulties as of 31 December 2019; must not be eligible for federal support; the maximum amount of the qualifying loan is €7.5 or €10 million per beneficiary, depending on the size of the undertaking and granting agency (limited to 75% if the undertaking is experiencing financial difficulties) and guarantee is limited to 90% outstanding loan amount; and the guarantee may not exceed 6 years • A moratorium on the repayment of capital on loans (maximum loan amount of €2.5 million) • How to obtain? Complete the online form or directly contact relevant agencies (SOWALFIN, SOGEP, and SRIW) or through credit and other financial institutions <p>Deferral of concession fees for airports based in Wallonia. This covers the airports of Charleroi and Liège.</p> <p>Direct grants and repayable advances for coronavirus related R&D projects (€25 million)</p>	<p>Option A <i>De minimis</i></p> <p>Option A <i>general measure</i></p> <p>Option A <i>Market rate and/or de minimis</i></p> <p>Option D <i>EC clearance decision issued on 30 April 2020.</i></p> <p>Option D <i>EC clearance decision issued on 11 April 2020</i></p> <p>Option D <i>EC clearance decision issued on 12 May 2020</i></p>

PUBLIC FINANCE SUPPORT
ENACTED (AS OF 18 MAY 2020)

Member State	Measure & Budget	State Aid assessment
	<p>Measures taken by Brussels capital region (€300 million)</p> <p>“Nuisance allowance” – Allowance for all undertakings which are required to close.</p> <ul style="list-style-type: none"> • A €4,000 allowance per “office”/“shop” with a maximum of five allowances. • Conditions: Maximum of 50 full-time equivalent employees. • How to obtain? Complete the online form. • A similar allowance of (i) €2,000 for micro-undertakings (less than 5 full time employees) – conditions to be determined; (ii) €3,000 for undertakings with a taxi license and agricultural undertakings. <p>The abolition of certain taxes. Covers city tax for hotels (for the first half of 2020) and a levy on taxis (for 2020).</p> <p>Guarantees of bank loans to support cash flow (€20 million)</p> <p>Finance & Invest.brussels to take the following initiatives:</p> <ul style="list-style-type: none"> • Low interest loans for (i) key suppliers of the horeca sector that allow them to offer their horeca customers a longer payment period; and (ii) horeca businesses with more than 50 employees • A moratorium on the repayment of capital on loans granted by Finance & Invest.brussels to affected companies active in certain sectors <p>Direct grants for coronavirus related R&D projects (€4 million) and for agricultural and aquaculture undertakings (€200.000)</p>	<p>Option A <i>De minimis</i></p> <p>Option D <i>EC clearance decision issued in relation to agricultural undertakings on 24 April 2020</i></p> <p>Option A <i>De minimis</i></p> <p><i>No EC approval decision yet</i> <i>No EC approval decision yet</i></p> <p>Option D <i>EC clearance decisions issued respectively on 27 and 24 April 2020</i></p>
	<p>Relevant measures for Individuals in the Flemish region:</p> <p>Extension of “part-time work” incentive bonus for employees working at “an undertaking in difficulties” — Bonus extended to undertakings facing declining production, declining turnover, or falling orders as a result of the COVID-19 crisis. The monthly premium for the employee will be between €68 and €172. The bonus is conditional on a reduction in production of at least 20%.</p> <p>Temporarily unemployed individuals based in the Flemish region will automatically receive €202.68 to pay their water and energy bill.</p>	<p><i>Government likely treating these as</i> option A</p>

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ENACTED (AS OF 18 MAY 2020)

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<p>FRANCE €45 billion package + €300 billion in State loan guarantee</p>	<p>Aid to individuals:</p> <p>Sick leave mechanisms will be adapted to cover employees unable to work to attend their children — employees will receive 90% of their net wages from the State</p>	<p>Option A <i>No aid</i></p>
	<p>Aid to undertakings:</p> <ul style="list-style-type: none"> • Independents forced to shut down their undertakings placing their staff in temporary leave (chômage partiel) will be entirely compensated for the cost associated with this measure (84% of net wages) (€8.5 billion budget) • Scheme to support small and micro-enterprises, as well as self-employed people through a “solidarity fund” (estimated budget of €1.7 billion for March 2020 and €2.9 billion for April 2020): <ul style="list-style-type: none"> ○ Direct grants to businesses (i) with up to 10 employees and (ii) sales up to €1 million and (iii) which shut down on 15 March or after, or which suffered at least a 50% decrease in sales in March and/or April 2020 compared to March and/or April 2019 ○ Immediate €1,500 support on the basis of a simple declaration ○ Increased support available on a case-by-case basis to avoid bankruptcy (maximum of €8,000, initially €3,500) • Deadline extended on payments of certain social charges and certain taxes; in most critical cases, tax breaks can be awarded (€32 billion budget) <ul style="list-style-type: none"> ○ Aid to the airline sector: Scheme deferring the payment by airlines of certain aeronautical taxes; applies to airlines with an operating license in France; offers them the (i) possibility to defer the payment of certain taxes that would in principle be due between March and December 2020 to after 1 January 2021, and (ii) to pay the taxes over a period of up to 24 months • Suspension of rent and utility (water, electricity) bills for SMEs in difficulty • Recognition of a state of force majeure with respect to public contracts: delay penalties do not apply in contracts with public bodies • Various measures implemented through BPI, a State-owned financial institution, include: <ul style="list-style-type: none"> ○ State guarantees to provide access to liquidity (€300 billion budget): <ul style="list-style-type: none"> ▪ BPI to provide State guarantees on commercial loans and credit lines for enterprises with up to 5,000 employees ▪ State guarantees to banks on portfolios of new loans for all types of companies ○ Extension of current BPI guarantees ○ BPI awarding credit lines ○ BPI borrowers are allowed to suspend interest payments • Scheme for small and midsize companies with export activities, in the form of State guarantees on loans granted to any exporting companies with an annual turnover of less than €1.5 billion. (estimated budget of €150 million). In particular, the scheme: <ul style="list-style-type: none"> ○ (i) covers guarantee on operating loans with a limited maturity and size (e.g. loans cannot exceed 25% of the borrower’s 2019 revenues); (ii) is limited in time (guarantee of maximum six years and awarded on 31/12/2020 at the latest); (iii) limits the State’s exposure to 90% of the loan; (iv) provides for minimum remuneration of the guarantees; and (v) contains adequate safeguards to ensure that the aid is effectively channeled by the banks to the beneficiaries in need. • Scheme for small and midsize companies with export activities, in the form of State guarantees, financial guarantees granted to exporting companies with an annual turnover below of less than €1.5 billion (estimated budget of €200 million). In particular, the scheme: <ul style="list-style-type: none"> ○ (i) covers guarantees with a limited maturity and size; (ii) the guarantees will only be provided until the end of this year; (iii) limits the risk taken by the State to a maximum of 90%; (iv) the guarantees can be offered to all exporting companies in France; (v) the guarantee mechanism ensures risk sharing among its users; and (vi) the guarantee fee premiums provide a sufficient remuneration for the French State. 	<p>Option A <i>General measure</i></p> <p>Option D <i>EC clearance decision issued on 30 March 2020 and on 15 April 2020 regarding modified scheme</i></p> <p>Option C <i>EC clearance decision issued on 31 March 2020</i></p> <p>Option D <i>EC clearance decision issued on 21 March 2020</i></p> <p><i>Analysis on a case-by-case basis</i></p> <p>Option D <i>EC clearance decision issued on 24 April 2020</i></p> <p>Option D <i>EC clearance decision issued on 11 May 2020</i></p>

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PUBLIC FINANCE SUPPORT
ENACTED (AS OF 18 MAY 2020)

Member States	Measure & Budget	State Aid Assessment
	<p>Economic stabilization fund (<i>Wirtschaftsstabilisierungsfond, WSF</i>)</p> <p>The objective of the WSF is to ensure the liquidity and solvency of companies that were healthy and competitive before the pandemic. The WSF complements the special programs of KfW.</p> <p>The WSF includes the following instruments:</p> <ul style="list-style-type: none"> • Guarantee framework of €400 billion to help companies to refinance themselves on the capital market (bridging liquidity bottlenecks) • Credit authorization for €100 billion to strengthen the capital of companies (recapitalization) • Further credit authorization for €100 billion to refinance the KfW special programs <p>To finance these measures, the Federal Government will raise additional funds on the capital market as required.</p> <p>The companies addressed must meet at least two of the three following criteria: (i) a balance sheet total of more than €43 million, (ii) more than €50 million in sales revenues and (iii) more than 249 employees on an annual average. The participation of smaller companies can also be examined in individual cases in case such companies are important for critical infrastructure.</p>	<p><i>No EC approval decision yet</i></p>
	<p>Direct Grants for Small Enterprises, self-employed persons, and independent professions (<i>Bundesregelung Kleinbeihilfen 2020; €50 billion package</i>):</p> <p>Special support measures are available for small enterprises in all sectors of the economy, self-employed persons, and members of the independent professions (<i>freie Berufe</i>) who have run into difficulties as a result of the COVID-19 crisis. To ensure their liquidity, they receive a one-off payment for three months — depending on the size of the company — of up to €9,000 (up to five employees / full-time equivalents) or up to €15,000 (up to 10 employees / full-time equivalents).</p> <p>As far as the personal livelihood of each individual concerned is concerned, the Federal Government additionally facilitates access to basic social security for self-employed persons.</p>	<p>Option D <i>EC clearance decision issued on 24 March 2020</i></p>
	<p>Instant credit for companies with more than 10 employees</p> <p>KfW has launched an additional program, KfW Schnellkredit für den Mittelstand, especially for companies with more than 10 employees and risk assumptions of 100%. Maximum principal can be up to 25% of the annual turnover in 2019 but is limited to €800,000 for companies with more than 50 employees and to €500,000 for companies with up to 50 employees.</p>	<p>Option D <i>EC clearance decision issued on 11 April 2020</i></p>

PUBLIC FINANCE SUPPORT
ENACTED (AS OF 18 MAY 2020)

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	<p>Further support programs for companies were adopted at the level of individual federal states (Bundesländer). In particular, the following outlines the support scheme in Bavaria:</p> <ul style="list-style-type: none"> • <i>Corona Protective Shield Loan</i> for (i) enterprises with an annual turnover of up to €500 million and (ii) Freelancer / Individual Enterprises. Maximum principal: up to €30 million per project. Indemnities for the on-lending financial intermediaries of up to 90% and subsidized interest rates between 1% and 1.37% for SMEs and 2% for other borrowers. • <i>Rapid Loan</i> for companies with up to 10 employees, risk assumptions of 100% and a standardized interest rate of 3%. Maximum principal can be up to 25% of the annual turnover in 2019 but is limited to €100,000 for companies with up to 10 employees and to €50,000 for companies with up to 5 employees. Direct grants received must be deducted from the amounts of loans. • <i>Universal Loan</i> for (i) enterprises with an annual turnover of up to €500 million and (ii) Freelancer / Individual Enterprises. Maximum principal: up to €10 million. Syndicated financing possible from a size of €5 million with the participation of LfA Förderbank Bavaria. Purpose: Investment and operating material financing and rescheduling of short-term debts. • <i>Investment Loan</i> for (i) Freelancer with permanent establishment or branch office in Bavaria and (ii) enterprise which represents a self-employed/ freelance sustainable full-time activity for at least one shareholder. Maximum principal: up to €10 million. In case of insufficient collateral, a combination with a state guarantee or indemnity is possible. Purpose: Extension, rationalization, and modernization of existing plants. • <i>Acute Loan</i> for SMEs: Maximum principal: up to €2 million. Purpose (amongst others): Rescheduling of short-term debts and operating materials to maintain solvency. • <i>State Guarantee</i>: for (i) Medium-sized Enterprises and (ii) Freelancer / Individual Enterprises. Guarantee up to €30 million. Guarantee ratio of up to 90% • <i>Guarantee of the Guarantee Bank Bavaria</i> for (i) Medium-sized Enterprises and (ii) Freelancer / Individual Enterprises. Guarantee up to €2.5 million. Guarantee ratio of up to 80%. • <i>Direct Grants</i> for Micro enterprises, Solo self-employed, and Freelancers depending on number of employees (e.g. €9,000 for up to five employees, €50,000 for up to 250 employees) 	<p>Option D <i>EC clearance decision issued on 2 April 2020 and regarding the rapid loan EC clearance decision issued on 11 April 2020</i></p>
	<p>Scheme supporting the insurance of trade between companies affected by the COVID-19 outbreak.</p> <p>Trade credit insurance protects companies supplying goods and services against the risk of non-payment by their clients. The scheme ensures that trade credit insurance continues to be available to all companies, avoiding the need for buyers of goods or services to pay in advance, therefore reducing their immediate liquidity needs.</p>	<p>Option D <i>EC clearance decision issued on 14 April 2020</i></p>
	<p>Hospitals and other healthcare facilities</p> <p>An Act on the compensation of COVID-19 conditional financial burdens on hospitals and other healthcare facilities applies. The Act includes, inter alia:</p> <ul style="list-style-type: none"> • Hospitals receive a lump sum for the loss of revenue caused by postponement or suspension of scheduled admissions, procedures, or operations. • Hospitals receive a lump sum for additionally created or reserved intensive care beds. • For additional costs, especially for protective equipment, hospitals receive a surcharge of €50 per patient. 	<p><i>Government likely treating this as</i> Option A</p>

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Member States	Measure & Budget	State Aid Assessment
	<p>Aid Scheme for research, development and investment ("<i>Bundesregelung Forschungs-, Entwicklungs- und Investitionsbeihilfen</i>")</p> <p>"Umbrella" scheme supporting (i) coronavirus relevant research and development (R&D) activities, (ii) investments into testing and upscaling infrastructure that contributes to developing coronavirus relevant medicinal products, and (iii) investments into production facilities for medicinal products needed to respond to the outbreak.</p> <p>The scheme aims to enhance and accelerate both the development and the production of products directly relevant to the coronavirus outbreak. These include medicinal products such as vaccines, hospital and medical equipment (including ventilators), and protective clothing and equipment. The public support will take the form of direct grants, repayable advances and tax advantages. Guarantees to cover losses may also be granted, either in addition to a direct grant, tax advantage, or repayable advance, or as an independent aid measure.</p>	<p>Option D <i>EC clearance decision issued on 29 April 2020</i></p>

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ENACTED (AS OF 18 MAY 2020)

Member States	Measure & Budget	State aid assessment
<p>IRELAND</p> <p>Measures to support Irish businesses are a combination of those already available prior to the COVID-19 crisis and certain new measures.</p>	<p>Ireland Strategic Investment Fund (ISIF)</p> <p>Focuses on investment in medium- and large-scale enterprises in Ireland through a Pandemic Stabilisation and Recovery Fund (PSRF). The fund, worth up to €2 billion, will make capital available to medium and large enterprises on commercial terms.</p> <ul style="list-style-type: none"> The PSRF will focus on investment in large and medium enterprises employing more than 250 employees or with annual turnover in excess of €50 million. ISIF may consider investing in enterprises below these levels if the enterprises are assessed to be of substantial scale and of significant importance at the national or regional level. Enterprises must be able to demonstrate their business was commercially viable prior to the COVID-19 pandemic, and that they can return to viability and contribute to the Irish economy. As required under ISIF's statutory mandate, the PSRF will be invested on a commercial basis seeking an appropriate risk-adjusted return and economic impact from investments it makes. The PSRF will have the flexibility to invest across the capital structure, investing in a range of instruments from equity to debt and hybrid instruments. This will enable businesses to access the capital they need in the most appropriate form that best suits their individual circumstances. ISIF's investment approach will be complementary to other government policy initiatives via agencies such as SBCI and Enterprise Ireland. <p>More details are available at https://isif.ie/uploads/publications/PSRF-GUIDE-PUBLISHED.pdf</p>	TBC
	<p>€450m SBCI COVID-19 Working Capital Scheme</p> <ul style="list-style-type: none"> Eligible businesses are supported by loans ranging from €25,000 up to €1.5 million (first €500,000 unsecured) with a maximum interest rate of 4%. Applications can be made through the SBCI website at https://sbci.gov.ie/. Eligibility criteria apply. 	Option A <i>de minimis</i>
	<p>€200 million Sustaining Enterprise Fund</p> <p>The purpose of the fund is to sustain companies that have been impacted by a 15% or greater reduction in actual or projected turnover or profit, and/or have a significant increase in costs as a result of the COVID-19 outbreak.</p> <p>This fund is open to eligible companies that:</p> <ul style="list-style-type: none"> Employ 10 or more full-time employees Are operating in the manufacturing and internationally traded services sectors For SMEs – have applied for funding from a financial institution, including, where appropriate, through the SBCI COVID-19 Working Capital Loan/Future Growth Loan Schemes For large companies – have applied for funding with an appropriate financial institution <p>Businesses qualifying under this EU-supported scheme will be offered a repayable advance of up to €800,000.</p> <p>This scheme is not open to companies that were:</p> <ul style="list-style-type: none"> In financial difficulty on 31st of December 2019 (within the meaning of the General Block exemption regulation) That are active in the primary agricultural, fishery, or aquaculture sectors That operate in the coal and steel sector Covered by specific rules for Financial Services <p>More information can be found on Enterprise Ireland's website at https://globalambition.ie/supports/innovation-support/sustaining-enterprise-fund/.</p>	Option D <i>EC clearance decision issued on 21 April 2020</i>
	<p>COVID-19 Wage Subsidy Scheme</p>	Option A <i>general measure</i>

PUBLIC FINANCE SUPPORT
ENACTED (AS OF 18 MAY 2020)

	<ul style="list-style-type: none"> The scheme enables employees, whose employers are affected by the pandemic, to receive significant supports directly from their employer through the payroll system. More information can be found at https://www.revenue.ie/en/corporate/communications/covid19/temporary-covid-19-wage-subsidy-scheme.aspx. 	
	<p>Credit Guarantee Scheme for COVID-19</p> <p>Scheme to encourage additional lending to SMEs by offering a partial government guarantee (currently 80%) to banks against losses on qualifying loans to eligible SMEs.</p> <p>Viable micro, small and medium sized enterprises (SMEs) are eligible for the scheme.</p> <p>SMEs are enterprises that:</p> <ul style="list-style-type: none"> Have fewer than 250 employees Have a turnover of €50 million or less (or €43 million or less on their balance sheet) Are independent and autonomous <i>i.e.</i> not part of a wider group of enterprises Have less than 25% of their capital held by public bodies Are established and operating in the Republic of Ireland. <p>The scheme can be accessed by engaging with participating lenders.</p>	<p>Option A <i>de minimis</i></p>

PUBLIC FINANCE SUPPORT
ENACTED (AS OF 18 MAY 2020)

Member States	Measure & Budget	State aid assessment
ITALY Decree No 18, 17 March 2020 (emergency decree worth €25 billion), Law Decree No 23 of 8 April 2020 adopting an additional set of extraordinary measures to support enterprises' liquidity and export (emergency decree worth €400 billion) and Law Decree of May 2020, providing economic support measures for families, workers, and enterprises (worth €155 billion)	Support to the Italian health system, including: <ul style="list-style-type: none"> Increased financing for overtime work of healthcare workers (€350 million) New recruitments for the Ministry of Health (€5 million) Increased financing for additional healthcare services and hospital beds (€400 million) Equipment of temporary sanitary facilities inside and outside of public and private healthcare institutes (€50 million) Public financing to companies producing medical and personal protective equipment (€50 million) One-off special bonus up to €1,000 for each worker of the National Healthcare Service 	Option D <i>EC clearance decision issued on 22 March 2020</i>
	Labor measures, including: <ul style="list-style-type: none"> Ordinary and extraordinary unemployment benefit funds (extended up to 18 weeks), for the period between 23 February 2020 to 31 October 2020 (or to 31 December 2020, for farm workers only), for companies with a suspended or reduced work activity due to the measures connected to the epidemiological emergency (€3.7 billion) Tax-free contribution of €600 (for March and April 2020) to freelance workers, seasonal workers, farm workers, and entertainment workers and one-off contribution of €1,000 (only for May 2020) to independent professional workers who recorded a decrease of more than 33% in their turnover for March and April 2020, upon request Contribution, from €400 to €600, for April and May 2020 to domestic workers who recorded a decrease of more than 25% in their working hours, upon request Financial contribution to enterprises and non-profit entities to purchase personal protective equipment for workers (€50 million) Establishment and progressive enhancement of a special fund to provide income support (€800 million) Special contribution for three months, starting from May 2020, for families experiencing financial difficulties due to the COVID-19 emergency (from €400 to €800 for each family, on a monthly basis) 	Option A <i>Italian Government possibly treating this as de minimis or no aid</i>
	Support in the repayment of mortgage loans granted for the acquisition of the primary residential property: Extension to self-employed freelance workers, craftsmen and sole-proprietor firms (who recorded a decrease of more than 33% in their turnover as a result of the closure or restriction of their activity in connection with the implementation of the provisions adopted by the competent authorities due to the epidemiological emergency) of the access to the National Solidarity Fund to support home mortgages for the purchase of the primary residential property, for a period of nine months. (€400 million)	Option A <i>Italian government possibly treating this as de minimis or no aid</i>
	Social security and welfare measures, including: <ul style="list-style-type: none"> Suspension of the contributions for enterprises due to the National Social Security Institute (INPS) and the National Disability Insurance Institute (INAIL), until June 2020 Increase (from €600 to €1,200) of the public contribution for the costs incurred by families with school-age children for childcare services 	Option A <i>General measure</i>
	Lower energy bills for SME (€600 million) <ul style="list-style-type: none"> Remodulation of the fixed component of the energy bills (<i>i.e.</i> the component not related to the energy consumption) The measure is addressed to non-domestic customers supplied on low voltage Formalities still to be defined in detail by the Italian Energy Authority 	<i>No EC approval decision yet</i>
	Tax-related assistance, including: <ul style="list-style-type: none"> Suspension of tax contributions for taxpayers with tax domicile, operating, and/or registered office in Italy, until September 16, 2020 Suspension of tax contributions for companies with a turnover of less than €2 million with tax domicile, operating, and/or registered office in Italy, until September 16, 2020 Suspension of tax contributions for individuals carrying on business activities with tax domicile, operating, and/or registered office in Italy, with turnover or earnings that do not exceed €50 million that recorded a decrease of more than 33% in their turnover, until September 16, 2020 	Option A <i>General measure</i>

PUBLIC FINANCE SUPPORT
ENACTED (AS OF 18 MAY 2020)

	<ul style="list-style-type: none"> • Suspension of tax collection files and tax controls until September 2020 • Tax credits for several specific expenses (i.e., sanitization, shop rent, charitable donations), including a tax credit equal to 60% of the monthly rent or leasing payment due for March, April, and May 2020 for entities that realized business income or self-employment income up to €5 million for 2019 and recorded a decrease of more than 50% in their turnover in the relevant months. The tax credit is equal to 30% in case of business lease agreements (€200 million) • Encourage the sale of impaired loans with the aim of supporting companies in terms of liquidity through the possibility of transforming into a tax credit a portion of deferred tax assets (DTA) relating to certain components, for an amount proportional to the value of the impaired receivables that are transferred to third parties 	
	<p>Support of the tourism and cultural sector, including:</p> <ul style="list-style-type: none"> • Withdrawal of the first installment of the municipal property tax expiring on June 16, 2020 in favor of the owners of hotels and guest houses, provided that the owners of the real estate are the managers of the business activities carried out inside the buildings • Establishment of a fund by the Ministry of Cultural Heritage in order to support the tourism sector through the underwriting of shares of collective investment funds, managed by asset management companies, for the purchase, restructuring, and development of properties addressed to tourism and hospitality activities (€200 million) • Tax credit for the payment of services provided by Italian hotels and guest houses from July 1, 2020 to December 31, 2020, for families with an annual family income of less than €50,000 • Establishment of a fund by the Ministry of Cultural Heritage in order to support bookshops, the publishing industry, as well as museums, and other cultural institutions and places. The fund is also intended to restore the losses resulting from the cancellation, following the epidemiological emergency, of shows, fairs, and exhibitions (€225 million) 	
	<p>Liquidity measures for SMEs, including: (€1.7 billion)</p> <ul style="list-style-type: none"> • Prohibitions to revoke, in whole or in part, overdraft facilities and loans granted against advances on credits existing as of 29 February 2020, until 30 September 2020 • Extension of loans with bullet repayment due before 30 September 2020 together with the relevant ancillary items, without any formalities and under the same conditions, until 30 September 2020 • Suspension of the payment of loan instalments and rental payments on financial leases due before 30 September 2020, until 30 September 2020 and extension of the relevant amortization or rental payments plans; at the request of SMEs, the suspension could be granted on the principal portion only <p>In order to access the financial supporting measures above, requesting SMEs should submit a self-certification attesting the temporary shortage of financial resources as a direct consequence of the spread of COVID-19. The financial supporting measures will be available only to SMEs whose debt exposures are not classified as impaired credit exposures (“<i>esposizioni creditizie deteriorate</i>”) as of 17 March 2020.</p> <p>The transactions subject to such financial supporting measures shall be eligible for the guarantee (up to 33%) of a special section of public guarantee fund for SMEs</p>	<p>Option D <i>EC clearance decision issued on 25 March 2020</i></p>
	<p>Non-repayable equity contribution for individuals realizing business income or self-employment income up to €5 million</p> <ul style="list-style-type: none"> • Non-repayable contribution addressed to entities that recorded for April 2020 a turnover 2/3 lower than their April 2019 turnover due to the COVID-19 outbreak • The non-repayable contribution is addressed only to entities that realized business income or self-employment income up to €5 million for 2019 • The amount of the contribution is determined by applying a percentage to the difference between the amount of turnover and fees for April 2020 and the amount of turnover and fees for April 2019 as follows: (i) 25% for entities with revenues or fees not exceeding €100,000; (ii) 20% for entities with revenues or fees exceeding €100,000 and less than €400,000; (iii) 15% for entities with revenues or fees exceeding €400,000 and less than €5 million 	<p><i>No EC approval decision yet</i></p>
	<p>Tax deduction of 30% of the amount paid for capital increases for SMEs</p> <ul style="list-style-type: none"> • The deduction applies only to capital increases executed: (i) by payment; and (ii) in favor of companies limited by shares and limited liability companies based in Italy, other than banks or other financing institutions, with a 2019 turnover of more than €5 million and up to €50 million, which recorded a decrease of more than 33% in their turnover for March and April 2020 due to the COVID-19 outbreak, not identified as “undertaking in difficulty” under the European Commission Regulation No. 651/2014 as of 31 December 2019, the European Commission Regulation No. 702/2014 as of 25 June 2014, and the European Commission Regulation No. 1388/2014 as of 16 December 2014 • The maximum tax deduction shall not exceed €2 million 	<p><i>o EC approval decision yet</i></p>

PUBLIC FINANCE SUPPORT
ENACTED (AS OF 18 MAY 2020)

	<ul style="list-style-type: none"> The tax deduction shall not apply to companies belonging to the same group 	
	<p>Establishment of a public fund addressed to underwrite equity financial instruments to be issued by SMEs</p> <ul style="list-style-type: none"> The equity financial instruments: (i) shall be issued by companies limited by shares and limited liability companies based in Italy, other than banks or other financing institutions, with a 2019 turnover of more than €10 million and up to €50 million, which recorded a decrease of more than 33% in their turnover for March and April 2020 due to the COVID-19 outbreak, not identified as “undertaking in difficulty” under the European Commission Regulation No. 651/2014 as of 31 December 2019, the European Commission Regulation No. 702/2014 as of 25 June 2014, and the European Commission Regulation No. 1388/2014 as of 16 December 2014, and (ii) shall be subscribed within December 31, 2020 The issuance of the equity financial instruments shall be equal to at least €250,000 	<i>No EC approval decision yet</i>
	<p>Extension of the guarantee scheme for SMEs: (€1.5 billion)</p> <ul style="list-style-type: none"> The guarantee of the SMEs public guarantee fund is granted free of charge The maximum guaranteed amount for each company up to €5 million The fund can release: (i) up to 90% guarantee in case of guarantee and 100% in case of reinsurance/counter-guarantee for financing transactions with a duration of up to 72 months, with maximum amount equal to, alternatively, (a) 200% of 2019 employee cumulated costs, (b) 25% of 2019 annual turnover, (c) operating and investment costs (“<i>fabbisogno per costi del capitale di esercizio e per costi di investimento</i>”) for the following 18 months in case of SMEs or 12 months in case of companies with no more than 499 employees; (ii) refinancing transactions can be guaranteed up to 80% in case of guarantee and 90% in case of reinsurance/counter-guarantee, provided that additional funding equal to at least 10% of the outstanding amount of the existing financing is granted; (iii) increase of the maximum guarantee rate up to 100% in case of guarantee of new loans granted to SMEs with a duration of up to 72 months (with minimum grace period equal to 24 months), with maximum amount equal to the lower of 25% of the revenues or €25,000, provided that additional funding is granted; (iv) the guarantee may be combined with other guarantees (so that the total guaranteed amount is equal to 100%) in case of loans for an amount not exceeding 25% of the revenues granted to companies with revenues not exceeding €3,200,000 	Option D <i>EC clearance decision issued on 14 April 2020</i>
	<p>Support measures for innovative startup companies</p> <ul style="list-style-type: none"> Financing of the Venture Capital Support Fund to invest in the share capital of startups and underwrite convertible bonds or other repayable debt instruments (€200 million) Non-repayable public funds to purchase services provided by incubators, universities, innovation hubs, and business angels (€20 million) Tax incentives for taxpayers who invested in innovative startups and innovative SMEs: tax deduction of 50% of the amount invested by the taxpayer — directly or through collective investment schemes — in the share capital of one or more innovative startups or innovative SMEs 	<i>No EC approval decision yet</i>
	<p>Establishment of a fund by CDP addressed to support the Italian economic production system</p> <ul style="list-style-type: none"> Establishment of a fund by Cassa Depositi e Prestiti (CDP) with the support of the Ministry of Economy and Finance addressed to Italian companies, including listed companies, to support and relaunch the Italian economic production system The fund will support companies: a) incorporated as joint stock companies, with a registered office in Italy; b) not operating in the banking, financial, or insurance sector; c) which meet at least two of the following requirements, as shown in the latest approved financial statements: annual turnover of more than €50 million, total assets of more than €43 million, 250 or more employees The access requirements and the criteria for the investment of the fund’s assets will be defined by decree of the Ministry of Economy and Finance The fund will have a duration of 12 years 	<i>No EC approval decision yet</i>

PUBLIC FINANCE SUPPORT
ENACTED (AS OF 18 MAY 2020)

	<p>Liquidity measures for larger companies, including:</p> <ul style="list-style-type: none"> • Cassa Depositi e Prestiti (CDP) guarantee on bank loans to fund companies affected by the COVID-19 emergency. The exposures incurred by CDP towards banks and other financing institutions granting the above loans can be counter-guaranteed by the State up to the equivalent of 80% of CDP's exposures. (€500 million) • Eligible companies must meet the following criteria: (i) suffer a reduction in turnover due to the epidemiological emergency; (ii) operate in sectors to be identified in the implementing regulations that are expected to be enacted within the next few weeks; and (iii) not have access to the public guarantee fund for SMEs <p>Compensation for the aviation sector, including:</p> <ul style="list-style-type: none"> • Compensation for the damage suffered (€500 million) • For Alitalia only, establishment of a new company fully controlled by the Ministry of Economy and Finance or controlled by a company also with a prevalent indirect public participation; the Ministry of the Economy and Finance is authorized to hold an interest in the share capital of the new company or to strengthen the new company's share capital, also through subsequent capital increases to be subscribed by December 31, 2020 (€3 billion) 	<p>No EC approval decision yet</p> <p>No EC approval decision yet</p>
	<p>Strengthening of the Golden Power Regulation, including:</p> <ul style="list-style-type: none"> • Extension to new sectors (including insurance, finance, credit, and food security) • Extension of the Golden Power: (i) not only to the acquisition of a relevant shareholding interest in, but also on the adoption of certain resolutions entailing structural changes by entities holding strategic assets in the sectors mentioned in Article 4, Paragraph 1, letters a) to e) of EU Regulation 2019/452; (ii) on acquisitions made by EU entities, resulting in such EU entities acquiring control of a company holding strategic assets in certain new sectors (including energy, transport, and communications); and (iii) to acquisitions made by non-EU entities, resulting in such non-EU entities acquiring at least 25% of the share capital or the voting rights in a company holding strategic assets in certain sectors <p>The special measures described above shall apply to transactions carried out until December 31, 2020.</p>	<p>N/A</p>
	<p>Guarantee scheme for companies other than banks with registered offices in Italy (guaranteed amount up to €200 billion, with €30 billion reserved to SMEs), in particular:</p> <ul style="list-style-type: none"> • SACE S.p.A. (SACE) (the Italian export credit agency in which the Italian Ministry of Economy and Finance significantly and indirectly participates) guarantees in respect of new facilities issued by banks or other financial institutions by December 31, 2020 with a maximum duration of six years (with grace period up to 24 months) in favor of enterprises based in Italy experiencing financial difficulties linked to the COVID-19 outbreak, other than banks or other financing institutions, not identified as "undertaking in difficulty" under the European Commission Regulation No. 651/2014 as of 31 December 2019 and whose debt exposures were not classified as impaired credit exposures ("<i>esposizioni deteriorate</i>") as of 29 February 2020. • SACE guarantees are counter-guaranteed by the Italian State without recourse (<i>senza diritto di regresso</i>). • The maximum guaranteed amount depends on the number of employees and the turnover of the enterprise: (i) 90% of the facility for companies with fewer than 5,000 employees in Italy and with a turnover up to €1.5 billion; (ii) 80% of the facility for companies with more than 5,000 employees in Italy and with a turnover greater than €1.5 billion and less than €5 billion; and, (iii) 70% of the facility for companies with a turnover greater than €5 billion. If the requesting company is party to a group, the turnover shall be referred to the group. • The financing shall cover financing employment costs, working capital relating to production plants or business activities located in Italy, as certified by the legal representative of the borrower. Annual fee: (i) for SMEs: 25 basis points for the first year, 50 basis points for the second and third years, and 100 basis points thereafter, to be calculated on the guaranteed amount; (ii) for companies other than SMEs: 50 basis points for the first year, 100 basis points for the second and third years, and 200 basis points thereafter, to be calculated on the guaranteed amount. • Conditions to grant the SACE guarantee: (i) the borrower, and any other company based in Italy belonging the group to which the borrower is party, shall not approve dividend distributions or share buybacks until 31 December 2020; (ii) the borrower shall manage employment levels through trade union agreements. <p>Liquidity support for businesses for export, internationalization, and investments (guaranteed amount up to €200 billion), including a SACE guarantee on bank loans:</p> <p>Formalities still to be defined in detail by the Ministry of Economy and Finance</p>	<p>Option D EC clearance decision issued on 14 April 2020</p>

PUBLIC FINANCE SUPPORT
ENACTED (AS OF 18 MAY 2020)

	<p>Guarantee scheme for companies insuring short-term business receivables (guaranteed amount up to €2 billion), in particular:</p> <ul style="list-style-type: none"> • SACE guarantees in respect of enterprises insuring short-term business receivables due before December 31, 2020. • SACE guarantees are counter-guaranteed by the Italian State without recourse (<i>senza diritto di regresso</i>). • The guaranteed is equal to 90% of the claims due with respect to the business receivables reported above. 	<p><i>No EC approval decision yet</i></p>
	<p>Derogation from the prohibition on granting State aid to undertakings receiving unlawful State aid that has not been repaid</p> <p>Due to the extraordinary conditions caused by the COVID-19 epidemic, also undertakings which were beneficiaries of unlawful State aid that has not been repaid shall have access to the aid provided by legislative or administrative acts adopted at the national, regional, or territorial level, pursuant to and in force of the Temporary framework.</p>	

PUBLIC FINANCE SUPPORT
ENACTED (AS OF 18 MAY 2020)

Member States	Measure & Budget	State Aid Assessment
NETHERLANDS	<p>Extension of guarantee schemes (€10 billion).</p> <ul style="list-style-type: none"> State guarantees of up to 90% of credit line for small and medium-sized undertakings and 80% for large undertakings. Maximum guaranteed amount per company increased from €50 million to €150 million (minimum: €1.5 million) <p>Entities must satisfy several conditions to qualify (e.g., having substantial activities in the Netherlands, the business being overall healthy, not using the guaranteed credit to refinance existing credit lines, etc.), and undertakings active in certain sectors are excluded (e.g., agriculture, real estate, financial). How to obtain? Through approved banks. In addition, the general guarantee scheme available to SMEs increases its guarantee coverage from 50% to 75% - focused on guarantees covering loans up to €1.5 million (budget: €1.5 billion).</p> <p>Subsidized interest rates for loans – open to SMEs (€100 million). Loans with a maximum maturity of 5 years and for max. €2 million per beneficiary.</p> <p>Additional guarantee scheme for small credits for micro, small and medium-sized undertakings (€713 million). Covering credits between €10.000 and 50.000.</p> <p>Compensation of wage costs for undertakings expecting a loss of turnover A wage subsidy will be available for undertakings expecting a loss of turnover of at least 20% (effective from 1 March 2020 onwards). The amount of the subsidy will depend on the expected turnover loss; for example:</p> <ul style="list-style-type: none"> Loss of turnover 100%: Subsidy of 90% Loss of turnover 50%: Subsidy of 45% Loss of turnover 25%: Subsidy of 22.5% <p>The compensation will initially cover a period of three months, with a possibility to prolong the period for another three months. Whether the subsidy will be limited to the maximum daily wage is not yet clear. In addition, an advance payment of 80% can be granted subject to the declaration that no employees will be dismissed for economic reasons during the subsidy period.</p> <p>Lump sum allowance Allowance for small- and medium-sized undertakings that are obliged to close</p> <ul style="list-style-type: none"> €4,000 per company Conditions: Must have a physical presence in another location than the home of the owner (subject to exceptions); must have a maximum of 250 employees (several other conditions also apply) How to obtain? Complete an online form. <p>Interest on microcredits for SMEs reduced to 2% for six months In addition, SMEs will receive a deferral of payment for six months.</p> <p>Extension export credit insurances</p> <p>Temporary guarantee for the working capital of agricultural and horticultural undertakings In addition, compensation for undertakings active in the floriculture, specialty horticulture and potato sectors for damage caused by coronavirus outbreak (€650 million). The compensation will be awarded in the form of direct grants. The compensation can cover maximum 70% of the loss of revenue or additional costs for farmers and traders in the floricultural sector and companies in the specialty horticultural sector; and maximum of 44% of the loss of revenue or additional costs for potato growers.</p> <p>Postponement of payment of corporate income, personal income, wage, and value added tax and excise duties Required to submit a substantiated request verified by a third party; additionally, provisional calculation for 2020 taxes will be revised and recovery interests will be reduced</p> <p>Deferral of energy tax and renewable energy surcharge For entities of which the use exceeds 10,000 kWh in electricity or 5,000 m³ in natural gas on a yearly basis.</p> <p>Extension of lower unemployment insurance contribution regime</p> <p>Direct grants to social support, healthcare, and youth care providers (€23 million) Social support, healthcare, and youth care providers will be able to apply for support, in the form of direct grants, to purchase, lease, license, and implement e-health applications.</p>	<p>Option D <i>EC clearance decision issued on 22 April 2020</i></p> <p>Option D <i>EC clearance decision issued on 24 April 2020</i></p> <p>Option A <i>general measure</i></p> <p>Option A <i>de minimis</i></p> <p>Option C <i>EC clearance decision issued on 8 May 2020</i></p> <p>Option A <i>general measure</i></p> <p>Option A <i>general measure</i></p> <p>Option D <i>EC clearance decision issued on 3 April 2020</i></p>

PUBLIC FINANCE SUPPORT
ENACTED (AS OF 18 MAY 2020)

Member States	Measure & Budget	State Aid Assessment
<p>SPAIN Royal Decree-Law 7/2020, of 12 March 2020 on urgent measures to strengthen the Spanish health system, and support families and companies directly affected by COVID-19</p>	<p>Liquidity and cost-reduction measures for SMEs and self-employed workers</p> <ul style="list-style-type: none"> • Tax relief at national level: Self-employed workers and SMEs with a volume of business not exceeding €6,010,121.04 in 2019 will be granted an automatic six-month deferral of payment (with the accrual of interest for late payment as from the third month) in respect of tax debts arising from assessments and self-assessment for filing and payment deadlines between 13 March 2020 and 30 May 2020. A cap of €30,000 is set for tax debts deferred on these special terms (there is no need to file any type of guarantee or security). • If conditions are met, self-employed and SMEs can defer the repayment of loans granted for industrial projects by the Secretaría General de Industria y de la Pequeña y Mediana Empresa. The crisis generated by COVID-19 must have caused periods of inactivity, reduction in the volume of sales, or interruptions in the value chain to these beneficiaries that make it difficult or impossible to attend the payment of the current annuity. <p>Special credit line in the tourism sector</p> <ul style="list-style-type: none"> • Spain will strengthen an existing credit line ("Thomas Cook Line," created by the Royal Decree-Law 12/2019) managed by the Instituto de Crédito Oficial (ICO) by increasing the amount available by €200 million. This credit line will cover companies and self-employed workers registered in Spain whose activity falls within the tourism sector or its ancillary activities (including accommodation; restaurants and other companies providing food; travel agencies; car and vehicle rentals; cultural, recreational, and entertainment activities; amusement parks; museums; and performance venues). <p>Reduction of Social Security contributions in the tourism sector</p> <ul style="list-style-type: none"> • A 50% reduction will go into effect from 1 January 2020 to 31 December 2020, of the business contributions to Social Security for general contingencies, as well as for the amounts corresponding to unemployment, FOGASA, and professional training, for companies in the tourism sector that continue to generate activity from February to June and keep their fixed seasonal workforce. 	<p>Option D <i>EC clearance decision issued on 24 April 2020</i></p> <p>Option C <i>No EC approval decision yet</i></p> <p>Option D <i>EC clearance decision issued on 24 April 2020</i></p>
<p>SPAIN Royal Decree-Law 8/2020, of 17 March 2020 adopting an additional set of urgent and extraordinary measures to mitigate the impact of COVID-19</p>	<p>Tax measures (non-exhaustive list) (as amended by Royal Decree-Law 15/2020)</p> <ul style="list-style-type: none"> • Spain will suspend the deadline until 30 May for tax debt payments assessed by the tax authorities (deferred or suspended tax debts and tax debts within the enforcement period). • Spain will extend until 30 May the deadline for payment obligations or fulfilment of tax formalities for tax debts assessed or tax procedures initiated after the date of the Royal Decree's approval (save in cases in which the legal deadline goes beyond such date). <p>Government loan guarantees (as amended by Royal Decree-Law 15/2020)</p> <ul style="list-style-type: none"> • The Ministry of Economy and Digital Transformation announced it would guarantee, up to a maximum of €100 billion, financings granted by to financing granted by credit institutions, electronic money institutions, and payment institutions to self-employed workers and companies to meet various payment obligations, including those arising from the management of invoices, working capital requirements, maturity of financial or tax payment obligations, or any other cash needs. • On 24 March, 10 April and 5 May 2020, the Spanish Council of Ministers approved the first, second and third €20 billion guarantee tranches, respectively, to be managed by the ICO in cooperation with financial institutions, receiving clearance from the EC that same day. Additional risk will be assumed by private entities, and consequently, the guarantees provided by the Ministry will rank <i>pari passu</i> to those provided by financial entities. • The state aid measure includes safeguards to ensure financial institutions pass, to the extent possible, the advantages of the measure to the final beneficiaries, thereby avoiding distortions to competition for any possible indirect aid in favor of the financial institutions. • These guarantee schemes are now accepting applications (currently, until 31 December 2020, although the date may be extended). Detailed information on the terms and conditions that those guarantee facilities have to meet to be eligible for the EC-approved aid is available at https://www.lw.com/thoughtLeadership/spain-first-20-billion-guarantee-line-help-spanish-businesses. • Spain has enlarged the ICO's borrowing limit set forth in the State Budget Law by €10 billion in order to increase the existing lines of credit and provide additional liquidity to companies, especially SMEs and self-employed workers. 	<p>Option A <i>de minimis or general measure</i></p> <p>Option D <i>EC clearance decision issued on 24 March 2020</i></p>

PUBLIC FINANCE SUPPORT
ENACTED (AS OF 18 MAY 2020)

Member States	Measure & Budget	State Aid Assessment
<p>SPAIN Royal Decree-Law 8/2020, of 17 March 2020 adopting an additional set of urgent and extraordinary measures to mitigate the impact of COVID-19</p>	<p>Extraordinary export credit insurance coverage</p> <ul style="list-style-type: none"> • New insurance coverage of up to €2 billion will be available from the Internationalization Risks Reserve Fund (Fondo de Reserva de los Riesgos de la Internacionalización) for a period of six months from the entry into force of the Royal Decree-Law. This new insurance policy will cover working capital credit facilities that are necessary for exporting companies, provided that they are related to new financing needs and not to situations prior to the current crisis. • The beneficiaries of this coverages are (i) SMEs as defined in the Schedule I of the Commission Regulation EU 651/2014 registered in Spain, and (ii) other non-listed large companies facing cash flow problems or lack of access to finance, provided that these firms are in the process of internalization or are regular exporters according to the requirements specified in the Royal Decree-Law. <p>Extraordinary credit contribution for COVID-19 research</p> <ul style="list-style-type: none"> • The decree authorizes credits (up to a maximum amount of €24 million), charged to the Ministry of Science and Innovation, to public or private entities in order to guarantee the necessary public aid in the framework of scientific and technical research necessary to address the health emergency. <p>Aid for self-employed workers and employees</p> <ul style="list-style-type: none"> • Self-employed workers are entitled to a subsidy equal to 70% of his/her regulatory base (<i>base reguladora</i>) whenever their income has been reduced by at least 75%. The subsidy will be in place throughout the state of emergency. • Employees affected by the suspension/reduction measures in place because of COVID-19 will be granted an allowance irrespective of whether they personally fulfil or not the requirements set by law. In addition, the employment allowance paid during this period will not compute for future situations in which the employee may request another unemployment allowance. 	<p>Option D <i>EC clearance decision issued on 2 April 2020</i></p> <p>Option D <i>EC clearance decision issued on 24 April 2020</i></p> <p>Option D <i>EC clearance decision issued on 24 April 2020</i></p>
<p>SPAIN Royal Decree-Law 11/2020, of 31 March 2020 adopting urgent complementary measures in the social and economic field</p>	<p>Aid for tenants in economic vulnerability (non-exhaustive list)</p> <ul style="list-style-type: none"> • Suspension of eviction procedures • Automatic application of a rental debt moratorium owed to large holders and companies or public housing entities while the state of alarm remains in force, to be paid on a pro-rata basis over the course of three years, without any penalty or interest • Approval to develop a line of guarantees for a period of up to 14 years and a repayment period of up to six years (without accruing any type of expenses and interests for the applicants), in order to ensure financial entities can offer transitory financing aid to tenants in vulnerability economic situation; guarantees will cover a maximum amount of six months of rent • New Rental Aid Program: Direct grants will be provided up to €900 per month and up to 100% of rental income or, if appropriate, up to 100% of the principal and interest on the loan subscribed with which the payment of the rent has been satisfied. <p>Aid directed at self-employed workers and SMEs (non-exhaustive list)</p> <ul style="list-style-type: none"> • Loans granted by the General Secretariat for Industry and SMEs may be refinanced for a period of two and a half years (extendable by agreement of the Council of Ministers). • Self-employed workers and SMEs who are borrowers of financial loans or credits whose ownership corresponds to an Autonomous Community or local entity may request the deferment of payment of the principal and/or interest to be paid for the remaining current year. • The CERSA Provisions Fund, an entity attached to the Spanish Ministry of Economy, will receive an additional €60 million in order to provide extraordinary coverage to finance operations for SMEs and self-employed workers affected by COVID-19. <p>Tourism Sector</p> <ul style="list-style-type: none"> • The decree provides an automatic one-year suspension of the payment of interest and amortizations corresponding to loans granted by the Tourism Secretary. 	<p>Option A <i>General measure</i></p> <p>Option D <i>EC clearance decision issued on 2 April 2020</i></p> <p>Option D <i>EC clearance decision issued on 24 April 2020</i></p>

PUBLIC FINANCE SUPPORT
ENACTED (AS OF 18 MAY 2020)

Member States	Measure & Budget	State Aid Assessment
<p>SPAIN</p> <p>Royal Decree- Law 15/2020, of 21 April 2020, on urgent measures complementary to support the economy and employment</p>	<p>Tax measures (non-exhaustive)</p> <ul style="list-style-type: none"> • Extension of the deadline for presentation and payment of declarations and self-assessments for companies and self-employed workers expiring in the period running from 15 April to 20 May with turnover not exceeding €600,000 in the fiscal year 2019. [Note: If the form of payment selected is direct debit, the deadline remains 15 May 2020] • Possibility to elect to use the “tax-base method” for SMEs with revenues lower than €600,000 in 2019. • Duty relief of zero-tax rate for domestic supplies and intracommunity imports and acquisitions of medical equipment and necessary goods to combat the effects of COVID-19 received by public entities, non-profits, and hospital institutions (temporarily until 31 July 2020). <p>Guarantee facilities for lessees</p> <ul style="list-style-type: none"> • The Mobility and Urban Agenda is authorized to grant guarantees for up to an aggregate amount of €1,200 million for lessees in a social or economically vulnerable situation as result of COVID-19. <p>Rent Moratorium for self-employed workers and SMEs</p> <ul style="list-style-type: none"> • Self-employed workers and SMEs are eligible to benefit from a rent moratorium on non-residential and industrial leases devoted to business activities. Among the conditions the Royal Decree-Law establishes, the activities of the beneficiaries must have been either (i) suspended as a result of the declaration of state of emergency or (ii) if not suspended, their turnover for the calendar month prior to the month in which the deferral is requested decreased by at least 75% compared to the average monthly revenue for the same quarter in the previous year. <p>Aid directed at undertakings</p> <ul style="list-style-type: none"> • The Spanish Institute for Energy Diversification and Saving (IDAE) is authorised to defer payments under refundable subsidy programs or aid provided in the form of a loan that is payable from March 2020 until two months after the declaration of the end of the state of emergency to entities in the private sector that expressly request it. Among other conditions, entities shall have experienced periods of inactivity or reduction of sales or turnover resulting in difficulties to meet the payment of the loans granted and be up to date as to the loans and with their Social Security contributions prior to the entry in force of the state of emergency. • Financing transactions eligible to be covered by the guarantees under the ICO Credit Line (detailed above) include discounting and collection management transactions as well as payment management transactions necessary to maintain economic activity and employment. <p>Scientific and Technological Sectors</p> <ul style="list-style-type: none"> • Installments arising from loans granted to entities sponsoring science and technological parks under programmes or tenders managed exclusively by the Ministry of Science and Innovation, which were to expire in 2020 will be deferred to the same date in 2021. • The Barcelona Supercomputing Center (BSC-CNS) total debt has been authorised up to a maximum amount of €47 million for 2020. 	<p>Option A <i>General measure</i></p> <p>EC Decision 2020/491</p> <p>Option A <i>General measure</i></p> <p>Option A <i>General measure</i></p> <p>Option D <i>EC clearance decision issued on 2 April 2020</i></p> <p>Option D <i>EC clearance decision issued on 24 April 2020</i></p>

PUBLIC FINANCE SUPPORT
ENACTED (AS OF 18 MAY 2020)

Member States	Measure & Budget	State Aid Assessment
UK	<p>Deferral of the next quarter of VAT payments for all businesses (businesses will have until 31 March 2021 to repay those bills)</p>	<p>Option A <i>General measure</i></p>
	<p>Government grants to pay wages</p> <ul style="list-style-type: none"> Government grants will cover 80% of the usual monthly wage costs of employees who are “furloughed” (i.e., take a leave of absence without working), up to a total of £2,500 a month, plus the associated Employer National Insurance contributions and minimum automatic enrolment employer pension contributions. The scheme, open to any employer in the country in relation to employees on their PAYE payroll on 28 February 2020 (including employees on agency or zero-hour contracts and those made redundant or who stopped working for the employer on or after 28 February 2020 if the employer re-hires them), will cover the cost of wages backdated to 1 March and is expected to be open for at least three months. Draft legislation has not yet been released but the government has published detailed guidance, available at https://www.gov.uk/guidance/claim-for-wage-costs-through-the-coronavirus-job-retention-scheme. On 12 May 2020 the UK Chancellor announced that the scheme would be extended in its present form until 31 July 2020. Between August and October payments will be allowed to furloughed staff working part-time and employers will be asked to share the costs of the scheme. Further details are expected to be announced at the end of May. <p>Legislation to be brought forward to allow SMEs and employers to reclaim Statutory Sick Pay (SSP) paid for sickness absence due to COVID-19</p> <p>Eligibility criteria:</p> <ul style="list-style-type: none"> Up to two weeks’ SSP per eligible employee off work (for periods of sickness starting on or after 13 March 2020) and claiming SSP because of COVID-19 are permitted. Only UK-based companies with fewer than 250 employees as of 28 February 2020 are eligible. Employers should maintain records of staff absences, but employees will not need to provide a GP fit note (if an employer requires evidence, employees can obtain an “isolation note” from NHS 111 online). 	<p>Option A <i>UK government likely treating these as general or de minimis measures</i></p>
	<p>Government grants to support self-employed workers</p> <ul style="list-style-type: none"> On 26 March, the Chancellor announced a Self-employment Income Support Scheme to provide support to certain self-employed individuals and partnership members, allowing them to claim a taxable grant worth 80% of their average trading profits over the last three years up to a maximum of £2,500 per month, for an initial period of three months. To be eligible, a claimant must: <ul style="list-style-type: none"> Have trading profits less than £50,000 and more than half of their income must come from self-employment; trading profits are based on either the previous tax year or an average of the last three years Have traded in the tax year 2019 to 2020, be trading when they apply (or would be were it not for COVID-19), and intend to continue trading in the tax year 2020 to 2021 Have submitted a FY2019 tax return (or do so by 23 April 2020) Have lost trading/partnership trading profits due to COVID-19 There are different eligibility rules for self-employed persons who have received payment for work or services in the form of a loan or other form of credit covered by the loan charge, and for self-employed farmers. Government guidance indicates that HMRC will aim to contact those eligible by mid-May 2020 and will make payments by early June 2020. 	<p>Option D <i>EC decision issued on 11 May 2020</i></p>
<p>Coronavirus Future Fund</p> <p>The UK government has announced a new scheme to issue convertible loans to innovative companies which are facing financing difficulties due to the Coronavirus outbreak.</p> <p>The UK government will initially make up to £250,000,000 available in total for the scheme. The UK government will keep this amount under review. The scheme will initially be open until the end of September 2020. The scheme will be delivered in partnership with the British Business Bank.</p> <p>Eligibility criteria – Companies meeting the following criteria are expected to be eligible:</p>	<p>TBC</p>	

PUBLIC FINANCE SUPPORT
ENACTED (AS OF 18 MAY 2020)

Member States	Measure & Budget	State Aid Assessment
	<ul style="list-style-type: none"> Based in the UK Can attract the equivalent match funding from third-party private investors and institutions Cave previously raised at least £250,000 in equity investment from third-party investors in the last five years <p>Full eligibility criteria will be published shortly but headline terms are available here.</p>	
	<p>Bounce Back Loan Scheme (BBLs)</p> <p>The scheme helps small and medium-sized businesses to borrow between £2,000 and up to 25% of their turnover. The maximum loan available is £50,000.</p> <p>The government guarantees 100% of the loan and there will not be any fees or interest to pay for the first 12 months. After 12 months the interest rate will be 2.5% a year.</p>	<p>Option A</p> <p><i>UK government likely treating this as de minimis aid</i></p>
	<p>Coronavirus Business Interruption Loan Scheme</p> <ul style="list-style-type: none"> The scheme is available to SMEs (defined as enterprises with less than £45 million annual turnover). The government will make a Business Interruption Payment to cover the first 12 months of interest payments and any lender-levied fees, so smaller businesses will benefit from no upfront costs and lower initial repayments. <ul style="list-style-type: none"> This scheme has been cleared by the EC. Precise details of the clearance decision are not yet available, but information published so far describes grants to support SMEs affected by the COVID-19 outbreak. The overall budget for this scheme is £600 million (approximately €654 million). The government will provide lenders with a guarantee of 80% on each loan (subject to pre-lender cap on claims) to give lenders further confidence in continuing to provide finance to SMEs. The scheme will be delivered through commercial lenders, backed by the government-owned British Business Bank. <ul style="list-style-type: none"> This guarantee scheme has been cleared by the EC. Precise details of the clearance decision are not yet available, but information published so far describes an approval of guarantees covering 80% of loan facilities for SMEs with a turnover of up to £45 million (approximately €49 million) to cover their working and investment capital needs. <p>These schemes are now accepting applications. Information on how to access the applications and eligibility criteria is available on the UK government's website (https://www.gov.uk/guidance/apply-for-the-coronavirus-business-interruption-loan-scheme).</p>	<p>Option D</p> <p><i>Two separate EC clearance decisions issued on 25 March 2020</i></p>
	<p>COVID-19 Corporate Financing Facility</p> <ul style="list-style-type: none"> The Bank of England will buy short-term debt from larger companies by way of commercial papers (an unsecured short-term debt instrument issued by a company). Companies — and their finance subsidiaries — that make a material contribution to the UK economy are able to participate. In practice, firms that meet this requirement would normally be: UK incorporated companies, including those with foreign-incorporated parents and with a genuine business in the UK; companies with significant employment in the UK; firms with their headquarters in the UK. Companies that generate significant revenues in the UK, serve a large number of customers in the UK, or have a number of operating sites in the UK will also be considered. The facility is open to firms that can demonstrate they were in sound financial health prior to the shock, allowing the Bank of England to look through temporary impacts on firms' balance sheets and cash flows from the shock itself. This means companies that had a short or long-term rating of investment grade, as at 1 March 2020, or equivalent. Guidance is available for firms that do not have a credit rating. Commercial paper issued by banks, building societies, insurance companies, and other financial sector entities regulated by the Bank of England or the Financial Conduct Authority will not be eligible. Commercial paper will also not be eligible if issued by leveraged investment vehicles or from companies within groups which are predominantly active in businesses subject to financial sector regulation. Detailed guidance can be found on the Bank of England website available at https://www.bankofengland.co.uk/news/2020/march/the-covid-corporate-financing-facility. 	<p>Option A</p> <p><i>UK government likely treating this as no aid</i></p>
	<p>Coronavirus Large Business Interruption Loan Scheme</p> <ul style="list-style-type: none"> Government guarantee of 80% to enable commercial lenders to make loans of up to £50 million for firms with turnover of more than £250 million, and up to £25 million for firms with turnover of more than £45 million. 	<p>Option D</p> <p><i>Likely covered by EC decision of 6 April clearing UK's "umbrella"</i></p>

PUBLIC FINANCE SUPPORT
ENACTED (AS OF 18 MAY 2020)

Member States	Measure & Budget	State Aid Assessment
	<ul style="list-style-type: none"> • Facilities backed by a guarantee under CLBILS will be offered at commercial rates of interest. • Eligibility criteria: the business must meet all of the following: <ul style="list-style-type: none"> ○ Be UK-based in its business activity ○ Have an annual turnover of more than £45 million ○ Have a borrowing proposal which the lender would consider viable, were it not for the current pandemic, and for which the lender believes the provision of finance will enable the business to trade out of any short-term to medium-term difficulty ○ Self-certify that it has been adversely impacted by COVID-19 ○ Not have received a facility under the Bank of England's COVID-19 Corporate Financing Facility (CCFF) • The following businesses are not eligible to apply: banks, insurers and reinsurers (but not insurance brokers); public-sector bodies; and state-funded primary and secondary schools. • Businesses should consider applying via the lender's website in the first instance. Telephone lines are likely to be busy and branches may have limited capacity to handle enquiries due to COVID-19. • Guidance is available here. 	<p><i>scheme to support companies in line with the Temporary Framework referred to above, as amended and approved by a subsequent EC decision of 23 April.</i></p>
	<p>For businesses in the retail, hospitality, and leisure sectors:</p> <ul style="list-style-type: none"> • An additional cash grant of up to £25,000 per property for businesses with a property that has a rateable value of less than £51,000: <ul style="list-style-type: none"> ○ Rural rate relief and small business rate relief (see here for guidance) ○ Small Business Grant Fund and Retail, Hospitality and Leisure Grant Fund (see here for guidance) 	<p>Option A <i>De minimis</i></p>
	<ul style="list-style-type: none"> • Extension of the business rates holiday to all retail, hospitality, and leisure businesses. <ul style="list-style-type: none"> ○ An eligible property is: a shop, restaurant, café, bar, pub, cinema, live music venue, assembly or leisure property (e.g. sports club, gym, spa), hospitality property (e.g. hotel, guest house, or self-catering accommodation). Nurseries in England also do not have to pay business rates for the 2020-2021 tax year. ○ No need to take any action: local authorities will apply the discount automatically. The relief will apply to business rates bills for the 2020 to 2021 tax year. Local councils may have to reissue bills, but they will do this as soon as possible. ○ Any enquiries on eligibility for, or provision of, the reliefs should be directed to the relevant local authority. <p>Guidance for local authorities on the application of the expanded retail discount is available at https://www.gov.uk/government/publications/business-rates-retail-discount-guidance.</p>	<p>Option D <i>Likely covered by EC decision of 6 April clearing UK's "umbrella" scheme under the Temporary Framework as amended and approved by a subsequent EC decision of 23 April.</i></p>
	<p>All businesses and self-employed individuals in financial distress, and with outstanding tax liabilities, may be eligible to receive support with their tax affairs through HMRC's Time To Pay service.</p> <p>These arrangements are agreed on a case-by-case basis and are tailored to individual circumstances and liabilities.</p> <p>Eligible businesses are those that both:</p> <ul style="list-style-type: none"> • Pay tax to the UK government • Have outstanding tax liabilities <p>HMRC has a dedicated helpline that can be reached at 0800 0159 559.</p>	