



An overview of EU and German federal financing measures for companies responding to COVID-19

16 December 2020

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Introduction

In response to the economic effects of the COVID-19 pandemic and market uncertainty, plethora of financing measures was introduced at EU level and German federal level. In their joint effect, these measures are aimed at shielding enterprises from the crisis, by offering different liquidity programs for overbridging temporary, crisis-evoked liquidity shortages.

Our note summarizes our understanding of the key EU and German federal financial and state aid measures. Developments in this area are fast-changing. Please note the date on which the note was last updated.

In many cases the legislation, guidance or other materials relating to these measures is limited in detail. This means that in some instances questions remain about the scope of some of these measures.

TARGET GROUP	SELF-EMPLOYED, FREELANCERS AND MICRO ENTERPRISES ¹	SMALL AND MEDIUM-SIZED ENTERPRISES ("SMEs")		("MID-CAPs")	
		SMALL ENTERPRISES ²	MEDIUM-SIZED ENTERPRISES ³	MIDDLE CAPITALISATION ENTERPRISES ⁴	LARGE ENTERPRISES
DEFINITION	Employees: <10 Turnover: <2 Mio.	Employees: <50 Turnover: <10 Mio.	Employees: <250 Turnover: <50 Mio. or b/s: <43 Mio.	Employees: <3000	Employees: >3000
EU SUPPORT PRODUCTS					
EUROPEAN INVESTMENT BANK GROUP⁵ ("EIB GROUP"): PAN-EUROPEAN GUARANTEE FUND ("EGF")⁶		<p>Eligible applicants: SMEs; MID-CAPs; large enterprises; public sector companies active in the area of health; venture and growth capital and venture debt.</p> <p>Eligible projects: large and small-scale investment projects of any sector of the economy showing consistency with the EU's priority objectives and overall quality and soundness⁷.</p> <p>Support types: uncapped Guarantee; Linked Risk Sharing product; Senior Private Credit Funds; Target Fund Size Facility/ Selective Loan Funds Facility.</p> <p>Where to apply: SMEs and MID-CAPs to participating EIB German intermediaries (list yet to be published)⁸; public sector healthcare companies, banks, financial institutions or any other form of collective investment vehicles, directly to EIB.</p>			
INNOVFIN INFECTIOUS DISEASES FINANCE FACILITY⁹		<p>Eligible applicants: pharmaceutical companies; a research institute/organisation, a university, a non-profit entity or a special-purpose vehicle (SPV).</p> <p>Eligible projects: development of innovative vaccines, drugs, medical and diagnostic devices or novel research infrastructures for combatting infectious diseases.</p>			

1 EU definition: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=LEGISSUM%3An26026>.

2 EU definition: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=LEGISSUM%3An26026>.

3 EU definition: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=LEGISSUM%3An26026>.

4 There is no official EU definition, but the presented criterion is commonly used in practice.

5 <https://www.eib.org/attachments/press/covid19-eib-group-response-infographics-en.pdf>.

6 <https://www.eib.org/en/products/egf/index.htm>.

7 The List of factors on which project quality is based on: <https://www.eib.org/en/projects/cycle/appraisal/index.htm>.

8 The list of EIB German intermediaries: <https://www.eib.org/intermediarieslist/search/result?country=DE>.

9 <https://www.eib.org/en/products/blending/innovfin/products/infectious-diseases.htm>.

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		SMALL ENTERPRISES ²	MEDIUM-SIZED ENTERPRISES ³	MIDDLE CAPITALISATION ENTERPRISES ⁴	LARGE ENTERPRISES	
		<p>Support types and amounts: financial products ranging from standard debt to equity-type financing for amounts typically between EUR 7.5 million and EUR 75 million.</p> <p>Where to apply: SMEs and MID-CAPs to EIB German intermediaries¹⁰; large enterprises directly to EIB.</p>				
EUROPEAN FUND FOR STRATEGIC INVESTMENTS LOANS FOR THE PRIVATE SECTOR ¹¹				<p>Eligible applicants: MID-CAPs; Large enterprises or groups; Special Purpose Vehicles for project finance.</p> <p>Loan purpose: investment costs (typically over a period of up to three years but can be longer).</p> <p>Loan amount: typically up to 50% of a project's total cost. These loans typically start at EUR 25 million, however in certain cases EIB will consider lower amounts.</p> <p>Where to apply: directly to EIB.</p>		
GERMAN FEDERAL SUPPORT PRODUCTS						
FINANCING PREREQUISITE ¹²	<ul style="list-style-type: none"> • Company is experiencing financial difficulties as a consequence of the COVID-19 pandemic. • On 31 December 2019, company was not "company in difficulty" pursuant to the <i>EU definition</i>¹³. 					

10 The list of EIB German intermediaries: <https://www.eib.org/intermediarieslist/search/result?country=DE>.

11 <https://www.eib.org/en/products/loans/private-sector.htm>.

12 As determined in the EU Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak.

13 For the EU definition, see: [https://eur-lex.europa.eu/legal-content/GA/TXT/?uri=CELEX:52014XC0731\(01\)](https://eur-lex.europa.eu/legal-content/GA/TXT/?uri=CELEX:52014XC0731(01)), pg. 6.

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KfW SONDERPROGRAMM 2020¹⁴:	<p>Where to apply for KfW Sonderprogramm 2020: at a local bank of the borrower (<i>Hausbank</i>) or a KfW financing partner (<i>Finanzierungspartner</i>) (that could be applicant's bank (<i>Bank</i>), but also another commercial bank (<i>Geschäftsbank</i>), savingsbank (<i>Sparkasse</i>), cooperative bank (<i>Genossenschaftsbank</i>), direct bank (<i>Direktbank</i>), building savings bank (<i>Bausparkasse</i>), insurance company (<i>Versicherung</i>) or a financial intermediary (<i>Finanzvermittler</i>)).</p>				
KfW INSTANT LOAN (KfW-SCHNELLKREDIT 2020) (078)^{15 16}	<p>Eligible applicants: self-employed and companies that have been on the market since at least 1 January 2019 and showed profits in 2019 or on average over the last three years; irrespective of the number of employees; also companies in which private equity investors have a stake, provided that they will not receive dividends nor withdraw capital during the credit period.</p> <p>Loan purpose: in general, all purposes that are vital for entrepreneurial activity, including but not limited to investments and operating resources.</p> <p>Loan amount: in general, up to 3 monthly turnovers per group of companies. The maximum loan amount is however limited to EUR 800,000 for companies with more than 50 employees, to EUR 500,000 for companies with staffs from 10 to 50 people and to EUR 300,000 for companies with staffs of up to 10 people.</p> <p>Risk assumption: The level of risk assumptions (indemnity) by KfW towards local banks (<i>Hausbanken</i>) or other financing partners (<i>Finanzierungspartner</i>) is raised to 100% for all companies, hedged by a guarantee from the German Federal Government. These extensions are aimed on increasing banks' willingness to extend credit and the borrower is 100% liable for the repayment. The indemnity is introduced upon request.</p> <p>Interest rates and security: The current interest rate is 3% p.a. Loan term is up to 10 years with fixed interest rate for the entire term and max. 2 years without repayment.</p> <p>The credit approval process does not involve additional credit risk assessment by the local banks (<i>Hausbanken</i>) or KfW. The provision of securities is not permitted.</p> <p>The programme is limited to 31 December 2020.</p>				
ERP START-UP LOAN – UNIVERSAL	<p>Eligible applicants: companies that are operating for less than 5 years and at least 3 years or have 2 annual financial statements.</p> <p>Loan purpose: investments, operating resources, inventory.</p>				

14 <https://www.kfw.de/inlandsfoerderung/Companies/KfW-Corona-Hilfe/>
15 [https://www.kfw.de/inlandsfoerderung/Unternehmen/Erweitern-Festigen/F%C3%B6rderprodukte/KfW-Schnellkredit-\(078\)/](https://www.kfw.de/inlandsfoerderung/Unternehmen/Erweitern-Festigen/F%C3%B6rderprodukte/KfW-Schnellkredit-(078)/)
16 [https://www.kfw.de/PDF/Download-Center/F%C3%B6rderprogramme-\(Inlandsf%C3%B6rderung\)/PDF-Dokumente/6000004525_M_078.PDF](https://www.kfw.de/PDF/Download-Center/F%C3%B6rderprogramme-(Inlandsf%C3%B6rderung)/PDF-Dokumente/6000004525_M_078.PDF)

TARGET GROUP	SELF-EMPLOYED, FREELANCERS AND MICRO ENTERPRISES ¹	SMALL AND MEDIUM-SIZED ENTERPRISES ("SMEs")		("MID-CAPS")	
		SMALL ENTERPRISES ²	MEDIUM-SIZED ENTERPRISES ³	MIDDLE CAPITALISATION ENTERPRISES ⁴	LARGE ENTERPRISES
(ERP-GRÜNDERKREDIT-UNIVERSELL) (073/074/075/076) ^{17 18 19}	<p>Loan amount: in general, up to EUR 100 million per group of companies. The maximum loan amount is however limited to 25% of the annual turnover in 2019; or twice the wage costs of 2019 or the current financing requirements for the next 18 months for SMEs or 12 months for large enterprises; or 50% of the total debt of the company or 30% of the balance sheet total for loans over EUR 25 million.</p> <p>Risk assumption: the level of risk assumptions (indemnity) by KfW towards local banks (<i>Hausbanken</i>) or other financing partners (<i>Finanzierungspartner</i>) is raised to up to 80% for large enterprises and up to 90% for SMEs. The remainder is to be borne by the local bank (<i>Hausbanken</i>) or financing partner (<i>Finanzierungspartner</i>). These extensions are aimed on increasing banks' willingness to extend credit and the borrower is 100% liable for the repayment. The indemnity is introduced upon request.</p> <p>Interest rates and security: KfW grants aid in the form of interest subsidies. Individual interest rates (within the fixed interest rate ceiling - reduced interest rate of 1,00 to 2,12% p.a.) as well as the type and amount of security will be determined with applicant's local bank (<i>Hausbanken</i>) or financing partner (<i>Finanzierungspartner</i>). Loan terms depend on the loan applied for. Up to 10 years for loans with an amount of up to EUR 800,000; up to 6 years for loans with an amount of more than EUR 800,000; up to 2 years for loans granted for running costs such as operating resources with fixed interest rate for the whole loan term and repayment in one sum at maturity.</p> <p>*Note for large enterprises: earlier turnover ceiling was abolished.</p>				
KfW ENTREPRENEUR LOAN (KfW-UNTERNEHMERKREDIT) (037/047) ^{20 21 22}	<p>Eligible applicants: companies that are operating for at least 5 years.</p> <p>Loan purpose: investments, operating resources, inventory, acquisitions of assets from other companies (including takeovers), leasing.</p> <p>Loan amount: in general, up to EUR 100 million per group of companies. The maximum loan amount is however limited to: 25% of the annual turnover in 2019, or twice the wage costs of 2019, or the current financing requirements for the next 18 months for SMEs or 12 months for large enterprises, or 50% of the total debt of the company or 30% of the balance sheet total of the group for loans over 25 million euro.</p> <p>Risk assumption: the level of risk assumptions (indemnity) by KfW towards local banks (<i>Hausbanken</i>) or financing partners (<i>Finanzierungspartner</i>) is raised to up to 80% for large enterprises (037) and up to 90% for small and SMEs (047). The remainder is borne by the local bank (<i>Hausbanken</i>) or financing partner (<i>Finanzierungspartner</i>). These extensions are aimed on increasing banks' willingness to extend credit and the borrower is 100% liable for the repayment. The indemnity is included upon request.</p>				

17 [https://www.kfw.de/inlandsfoerderung/Unternehmen/Gründen-Nachfolgen/Förderprodukte/ERP-Gründerkredit-Universell-\(073_074_075_076\)/](https://www.kfw.de/inlandsfoerderung/Unternehmen/Gründen-Nachfolgen/Förderprodukte/ERP-Gründerkredit-Universell-(073_074_075_076)/).
18 [https://www.kfw.de/Download-Center/Förderprogramme-\(Inlandsförderung\)/PDF-Dokumente/6000002259-Merkblatt-ERP-Gründerkredit-068.pdf](https://www.kfw.de/Download-Center/Förderprogramme-(Inlandsförderung)/PDF-Dokumente/6000002259-Merkblatt-ERP-Gründerkredit-068.pdf).
19 <https://www.kfw.de/inlandsfoerderung/Companies/KfW-Corona-Hilfe/>.
20 [https://www.kfw.de/inlandsfoerderung/Unternehmen/Unternehmen-erweitern-festigen/Finanzierungsangebote/KfW-Unternehmerkredit-Fremdkapital-\(037-047\)/](https://www.kfw.de/inlandsfoerderung/Unternehmen/Unternehmen-erweitern-festigen/Finanzierungsangebote/KfW-Unternehmerkredit-Fremdkapital-(037-047)/).
21 <https://www.kfw.de/inlandsfoerderung/Companies/KfW-Corona-Hilfe/>.
22 [https://www.kfw.de/PDF/Download-Center/F%C3%B6rderprogramme-\(Inlandsf%C3%B6rderung\)/PDF-Dokumente/6000000188_M_037_047_Unternehmerkredit.pdf](https://www.kfw.de/PDF/Download-Center/F%C3%B6rderprogramme-(Inlandsf%C3%B6rderung)/PDF-Dokumente/6000000188_M_037_047_Unternehmerkredit.pdf).

TARGET GROUP	SMALL AND MEDIUM-SIZED ENTERPRISES ("SMEs")			("MID-CAPS")	
	SELF-EMPLOYED, FREELANCERS AND MICRO ENTERPRISES ¹	SMALL ENTERPRISES ²	MEDIUM-SIZED ENTERPRISES ³	MIDDLE CAPITALISATION ENTERPRISES ⁴	LARGE ENTERPRISES
	<p>Interest rates and security: KfW grants aid in the form of interest subsidies. Individual interest rates (within the fixed interest rate ceiling - reduced interest rate of 1,00 to 2,12% p.a.) as well as the type and amount of security will be determined with company's local bank (<i>Hausbanken</i>) or financing partner (<i>Finanzierungspartner</i>). Loan terms depend on the loan applied for. Up to 10 years for loans with an amount of up to EUR 800,000, with fixed interest rate for the entire term and max. 2 years without repayment at the beginning; up to 6 years for loans with an amount of more than EUR 800,000 with fixed interest rate for the entire term and max. 2 years without repayment at the beginning; up to 2 years for loans granted exclusively for running costs such as operating resources with fixed interest rate for the entire term and repayment in one sum at maturity.</p> <p>*Note for large enterprises: earlier turnover ceiling was abolished.</p>				
<p>KfW SPECIAL PROGRAMME – SYNDICATE FINANCING KfW (SONDERPROGRAMM-DIREKT BETEILIGUNG FÜR KONSORTIALFINANZIERUNG) (855)^{23 24 25}</p>			<p>Eligible applicants: domestic and foreign medium-sized and large commercial enterprises which are mainly privately owned and plan to finance a project in Germany.</p> <p>Support purpose: the entire expenditure for investments and operating resources is eligible for financing. KfW participates in debt financing <i>pari passu</i> with the market conditions and on the same terms as other banks.</p> <p>Support amount: KfW risk share is usually at least EUR 25 million but is limited to: 25% of the annual turnover in 2019, or twice the wage costs of 2019, or the current financing requirements for the next 12 months.</p> <p>Risk assumption: KfW assumes up to 80% of the risks of the project but no more than 50% of the total debt, which is supposed to facilitate access to liquidity for enterprises.</p> <p>The programme is limited to 31 December 2020.</p>		

23 [https://www.kfw.de/inlandsfoerderung/Unternehmen/Erweitern-Festigen/Foerderprodukte/Direktbeteiligung-fuer-Konsortialfinanzierung-\(855\)/](https://www.kfw.de/inlandsfoerderung/Unternehmen/Erweitern-Festigen/Foerderprodukte/Direktbeteiligung-fuer-Konsortialfinanzierung-(855)/)

24 <https://www.kfw.de/inlandsfoerderung/Companies/KfW-Corona-Hilfe/>

25 [https://www.kfw.de/PDF/Download-Center/Foerderprogramme-\(Inlandsfoerderung\)/PDF-Dokumente/6000004518_M_855.pdf](https://www.kfw.de/PDF/Download-Center/Foerderprogramme-(Inlandsfoerderung)/PDF-Dokumente/6000004518_M_855.pdf)

TARGET GROUP	SELF-EMPLOYED, FREELANCERS AND MICRO ENTERPRISES ¹	SMALL AND MEDIUM-SIZED ENTERPRISES ("SMEs")		("MID-CAPS")	
		SMALL ENTERPRISES ²	MEDIUM-SIZED ENTERPRISES ³	MIDDLE CAPITALISATION ENTERPRISES ⁴	LARGE ENTERPRISES
WIRTSCHAFTSSTABILISIERUNGSGFONDS ²⁶ ("WSF")				<p>Eligibility note: The committee of the WSF may, at its sole discretion, decide on applications from companies, which do not meet the eligibility criteria, if the company is active in a sector critical to infrastructure or is of comparable importance for the security or economy. The committee can also decide on applications of start-ups if they have been valued in at least one completed financing round since 1 January 2017 by private investors with an enterprise value of at least 50 million euro, including the capital raised through this round.</p> <p>WSF structure: guarantee framework of EUR 400 billion to assist companies to refinance themselves in the capital markets (bridge to liquidity shortfalls), authorisation to grant credit of up to EUR 100 billion for capitalization purposes (strengthening of the capital of the companies, recapitalization); further</p>	

26 Law on the establishment of an economic stabilisation fund (Gesetz zur Errichtung eines Wirtschaftsstabilisierungsfonds (Wirtschaftsstabilisierungsfondsgesetz – WStFG)): https://www.bgbl.de/xaver/bgbl/start.xav#_bgbl_%2F%2F%5B%40attr_id%3D%27bgbl120s0543.pdf%27%5D_1585892740176.

TARGET GROUP	SELF-EMPLOYED, FREELANCERS AND MICRO ENTERPRISES ¹	SMALL AND MEDIUM-SIZED ENTERPRISES ("SMEs")		("MID-CAPS")	
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				authorisation to grant credit for EUR 100 billion for the refinancing of KfW special programs. Aid types: guarantees for bonds and other liabilities, share purchasing and purchasing of other forms of equity, granting of subordinated debt and other forms of hybrid capital. Total fund volume: up to EUR 600 billion.	
EXTENSIONS OF THE GUARANTEE PROGRAMS²⁷	<p>The guarantee limit for guarantee banks (<i>Bürgschaftsbanken</i>) is doubled to EUR 2.5 million. In addition, the guarantee banks are given the freedom to make guarantee decisions of up to EUR 250,000 independently and within a period of 3 days. Moreover, the level of risk assumptions (indemnity) towards local banks (<i>Hausbanken</i>) was raised to up to 90%.</p> <p>Furthermore, the large guarantee programs (parallel guarantees from the federation and the states), which were previously limited to companies from structurally weak regions, are now available for companies from all regions.</p>				
NOVEMBER AID (NOVEMBERHILFE)²⁸	<p>Aid purpose: To provide immediate financial support to businesses that were forced to close due to the anti-pandemic measures of November 2020.</p> <p>Eligible applicants: all enterprises incorporated before 30 September 2020, self-employed persons and freelancers, that were forced to close their businesses due to the anti-pandemic measures of November 2020 (directly affected enterprise / <i>direkt Betroffene</i>) that regularly create at least 80% of their turnover with or by cooperating with a directly affected enterprise (indirectly affected enterprise / <i>indirekt Betroffene</i> and <i>über Dritte Betroffene</i>); applicants may be considered as directly affected or indirectly affected enterprises for each day in November 2020 on which they were actually directly or indirectly affected by the anti-pandemic measures, i.e. from 2 November 2020 to 30 November 2020 (performance period / <i>Leistungszeitraum</i>).</p> <p>Aid type: one-off grant.</p>				

²⁷ In accordance with the *Protective shield for employees and companies (Schutzschild für Beschäftigte und Unternehmen)*.

²⁸ <https://www.ueberbrueckungshilfe-unternehmen.de/UBH/Redaktion/DE/FAQ/FAQ-Novemberhilfe/faq-novemberhilfen.html?nn=1869828>.

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	<p>Aid amount: In general, lump sum of 75% of the net turnover in November 2019 (comparative turnover / <i>Vergleichsumsatz</i>), to be calculated pro rata for each day of the performance period; for small enterprises, who are exempt from VAT, as well as in other cases in which the applicant is not entitled to deduct input tax, the gross turnover is to be used as comparative turnover, i.e. without taking into account the turnover tax; for “solo self-employed persons” (<i>Soloselbstständige</i>) alternatively the average net monthly turnover may be used as comparative turnover; for enterprises or “solo self-employed persons” that started their business activity after 31 October 2019, the net monthly turnover in October 2020 or the monthly net average turnover since incorporation may be used as comparative turnover; turnover generated during the performance period is not deducted from the November Aid provided it does not exceed 25% of the comparative turnover.</p> <p>Where to apply: online application via BMF/BMWi application portal; in general, applications can only be submitted by certified and registered professionals (i.e. tax consultants, lawyers, auditors)²⁹; “solo self-employed persons” may also submit their application themselves (<i>Direktantrag</i>)³⁰ if (a) as of 29 February 2020 (<i>Stichtag</i>), they had less than one full-time employee, (b) the amount of November Aid applied for is less than EUR 5,000 and (c) the applicant has not yet applied for Transitional Aid Scheme I or II (<i>Corona Überbrückungshilfe I oder II</i>).</p> <p>Total fund volume: EUR 15 billion. The programme is limited to 31 January 2021.</p>				
DECEMBER AID (DEZEMBERHILFE)³¹	<p>Aid purpose: With the December Aid, subsidies of up to 75% of sales from December 2019 will again be granted in principle on a pro rata basis for the number of days of shutdown in December 2020. Furthermore European law on state aid currently permits subsidies of up to a total of EUR 1 million without concrete proof of damage.</p> <p>Eligible applicants: Companies directly affected by the temporary shutdowns, indirectly affected companies and indirectly affected companies in accordance with the November Aid regulations</p> <p>Where to apply: online application via BMF/BMWi application portal; not yet set up, but will presumably be designed in the same way as for the November Aid.</p> <p>Total fund volume: Approx. EUR 4.5 billion per week.</p>				

29 https://antragslogin.ueberbrueckungshilfe-unternehmen.de/auth/realms/berufstraeger/protocol/openid-connect/auth?response_type=code&client_id=validation-component&redirect_uri=https%3A%2F%2Fantragslogin.ueberbrueckungshilfe-unternehmen.de%2Fuservalidation%2F&state=68a29425-9b57-4a10-b8a4-b8af978d883c&login=true&scope=openid.

30 https://direktantrag.ueberbrueckungshilfe-unternehmen.de/auth/realms/soloselbstaendig/protocol/openid-connect/auth?response_type=code&client_id=antrag-component&redirect_uri=https%3A%2F%2Fdirektantrag.ueberbrueckungshilfe-unternehmen.de%2Fantrag%2Fsso%2Flogin&state=b0dc3c08-b35e-48cf-b1d0-2f85b61e56a9&login=true&scope=openid.

31 <https://www.bmwi.de/Redaktion/DE/Pressemitteilungen/2020/11/20201127-stark-durch-die-Krise-dezemberhilfe-kommt.html>.

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TRANSITIONAL AID SCHEME III INCL. "RESTART AID" (CORONA ÜBERBRÜCKUNGSHILFE III INCL. "NEUSTARTHILFE")^{32 33}	<p>Available from 1 January 2021.</p> <p>Aid purpose: to extend the current Transitional Aid Scheme II (<i>Corona Überbrückungshilfe II</i>) ending on 31 December 2020; to provide financial support for the enterprises, "solo self-employed persons" (<i>Solosebstständige</i>) and freelancers most effected by the recent anti-pandemic measures, i.e. the temporary shutdown of businesses; additional aid for "solo self-employed persons" with low fixed operating costs through restart aid (<i>Neustarthilfe</i>) which adds a one-off grant to the compensation of fixed operating costs provided by the Transitional Aid Scheme III; Restart Aid is aimed at providing financial support to "solo self-employed persons" who cannot claim eligible costs under the Transitional Aid Scheme but have suffered from a considerable decline in turnover due to anti-pandemic measures.</p> <p>Eligible applicants: for Transitional Aid Scheme III (<i>Corona Überbrückungshilfe III</i>):</p> <ul style="list-style-type: none"> enterprises, "solo self-employed persons" and freelancers with an annual turnover of up to EUR 500 million, having their registered seat or permanent business establishment in Germany and having already been operating since before 1 November 2019 provided that they have suffered from either a decline in turnover for two consecutive months between April and December 2020 of at least 50% compared to the respective months in the previous year; or a decline in turnover in the months April to December 2020 of a least 30% on average compared to the same period of the previous year. enterprises that have suffered from a decline in turnover because of the temporary shutdown of businesses in November but are not eligible for November aid (<i>Novemberhilfe</i>), provided that in November 2020 they have suffered from a decline in turnover of 50% or more compared to November 2019; newly closed enterprises December 2020 (<i>neu geschlossene Unternehmen Dezember 2020</i>): enterprises that were forced to close their businesses in December 2020 due to anti-pandemic measures (directly affected / <i>direkt geschlossene Unternehmen</i>) or have a very strong business connection to those enterprises (indirectly affected / <i>indirekt Betroffene</i>); closed enterprises 2021 (<i>Geschlossene Unternehmen 2021</i>): all enterprises that are forced to close their businesses in any number of months within the first half year of 2021 or are indirectly affected; enterprises with declining turnover (<i>Unternehmen mit Umsatzrückgängen</i>): enterprises that are not newly closed enterprises December 2020 nor closed enterprises 2021 but have suffered from a decline in turnover of 40% in a given month between November 2020 and June 2021 compared to the respective month in 2019; 				

32 https://www.bundesfinanzministerium.de/Monatsberichte/2020/11/Inhalte/Kapitel-2b-Schlaglicht/2b-novemberhilfe-und-ueberbrueckungshilfe-3-pdf.pdf?__blob=publicationFile&v=4.

33 https://www.bundesfinanzministerium.de/Content/DE/Standardartikel/Themen/Schlaglichter/Corona-Schutzschild/2020-12-12-verbesserte-ueberbrueckungshilfe-III.pdf?__blob=publicationFile&v=2.

TARGET GROUP	SELF-EMPLOYED, FREELANCERS AND MICRO ENTERPRISES ¹	SMALL AND MEDIUM-SIZED ENTERPRISES ("SMEs")		("MID-CAPs")	
		SMALL ENTERPRISES ²	MEDIUM-SIZED ENTERPRISES ³	MIDDLE CAPITALISATION ENTERPRISES ⁴	LARGE ENTERPRISES
	<p>for restart aid (<i>Neustarthilfe</i>): "solo self-employed persons" if their independent employment activity represents at least 51% of their income in the reference period (normally the year 2019).</p> <p>Aid type: Transitional Aid Scheme III (<i>Corona Überbrückungshilfe III</i>): compensation for costs incurred even though business activity was restricted or completely put on hold (i.e. fixed operating costs).</p> <p>Restart Aid (<i>Neustarthilfe</i>): one-off grant; will be granted as advance payment.</p> <p>Aid amount: Transitional Aid Scheme III (<i>Corona Überbrückungshilfe III</i>): based on the amount of asserted fixed operating costs and depending on the decline in turnover in a month in 2020 compared to the respective month in 2019; where the decline in turnover amounts to more than 70%, 90% of the fixed operating costs are reimbursed; between 50 to 70%, 60% are reimbursed; between 30 and 50%, 40% are reimbursed; no reimbursements where the decline amounts to less than 30%; usually amounts to max. EUR 200,000; for newly closed enterprises December 2020 and closed enterprises 2021 the max. amount is EUR 500,000 per month whereby partial payments of max. EUR 50,000 are possible; for enterprises with declining turnover the max. amount is EUR 200,000 per month.</p> <p>Restart aid (<i>Neustarthilfe</i>): lump sum of 25% of the turnover of the comparative period (i.e. the year of 2019) but max. EUR 5,000; the full amount is granted if the turnover between December 2020 and June 2021 has suffered from a decline of more than 50% compared to a 7 month reference turnover 2019 (<i>siebenmonatiger Referenzumsatz 2019</i>); the 7 month reference turnover 2019 is determined by the average monthly turnover of the year 2019 (reference monthly turnover / <i>Referenzmonatumsatz</i>) multiplied by 7.</p> <p>Where to apply: online application via BMF/BMWi application portal³⁴; applications can only be submitted by certified and registered professionals (i.e. tax consultants, lawyers, auditors).</p> <p>The programme is limited to end of June 2021.</p>				
IMPROVED TRANSITIONAL AID SCHEME III (VERBESSERTE ÜBERBRÜCKUNGSHILFE III) ³⁵	<p>Aid purpose: in order to further adapt and improve the existing Transitional Aid Scheme III (which still applies), fixed operating cost will be reimbursed to the companies covered by the additional shutdown decisions (<i>Schließungs-Entscheidungen</i>) of 13 December 2020. This Improved Transitional Aid Scheme III supplements the otherwise applicable access to the Transitional Aid Scheme III, which is based on the decline in turnover in 2020.</p> <p>Eligible applicants: solo self-employed, self-employed members of the liberal professions, SMEs and MID-CAPs with annual turnover of up to EUR 500 million.</p> <p>Additional eligible applicants:</p>				

34 <https://www.ueberbrueckungshilfe-unternehmen.de/UBH/Navigation/DE/Ueberbrueckungshilfe/ueberbrueckungshilfe.html>.

35 https://www.bundesfinanzministerium.de/Content/DE/Standardartikel/Themen/Schlaglichter/Corona-Schutzschild/2020-12-12-verbesserte-ueberbrueckungshilfe-III.pdf?__blob=publicationFile&v=2.

TARGET GROUP	SELF-EMPLOYED, FREELANCERS AND MICRO ENTERPRISES ¹	SMALL AND MEDIUM-SIZED ENTERPRISES ("SMEs")		("MID-CAPs")	LARGE ENTERPRISES
		SMALL ENTERPRISES ²	MEDIUM-SIZED ENTERPRISES ³	MIDDLE CAPITALISATION ENTERPRISES ⁴	
	<ul style="list-style-type: none"> companies directly or indirectly affected by the additional closures in December 2020, for which a maximum amount of EUR 500,000 per month applies, granted as advanced payment of a maximum amount of EUR 50,000. companies that will continue to be affected in the first half of the year 2021 by the shutdown agreed on 28 October 2020 and in December 2020, for which a maximum amount of EUR 500,000 per month applies and which is granted as advanced payment; and those companies that are not closed but continue to have significant turnover losses in the year 2021: the Transitional Aid Scheme III already provides for November and December 2020 that such companies are eligible to apply for these two months in case they have a decline in turnover of 40% compared to the previous year's turnover. This provision will be extended for the first half of 2021; in this case, the maximum amount of fixed-cost reimbursement amounts to EUR 200,000 per month. <p>Aid type: pro rata reimbursement of fixed operating costs. The reimbursement amount is generally EUR 200,000, in special cases up to EUR 500,000.</p> <p>Aid amount: Eligible for reimbursement are fixed operating costs in accordance with the cost catalogue of Transitional Aid Scheme III – i.e. in particular rents and leases, financing costs, depreciation up to an amount of 50% and other ongoing fixed operating costs. Reimbursement of fixed costs is based on the amount of asserted fixed operating costs and depending on the decline in turnover in the relevant month compared to the respective month in 2019; where the decline in turnover amounts to more than 70%, 90% of the fixed operating costs are reimbursed; between 50 to 70%, 60% are reimbursed; between 30 and 50%, 40% are reimbursed; no reimbursements where the decline amounts to less than 30%.</p> <p>Total aid amount: estimated EUR 12.2 billion during a month with closed orders; lower in months without closed orders.</p>				

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