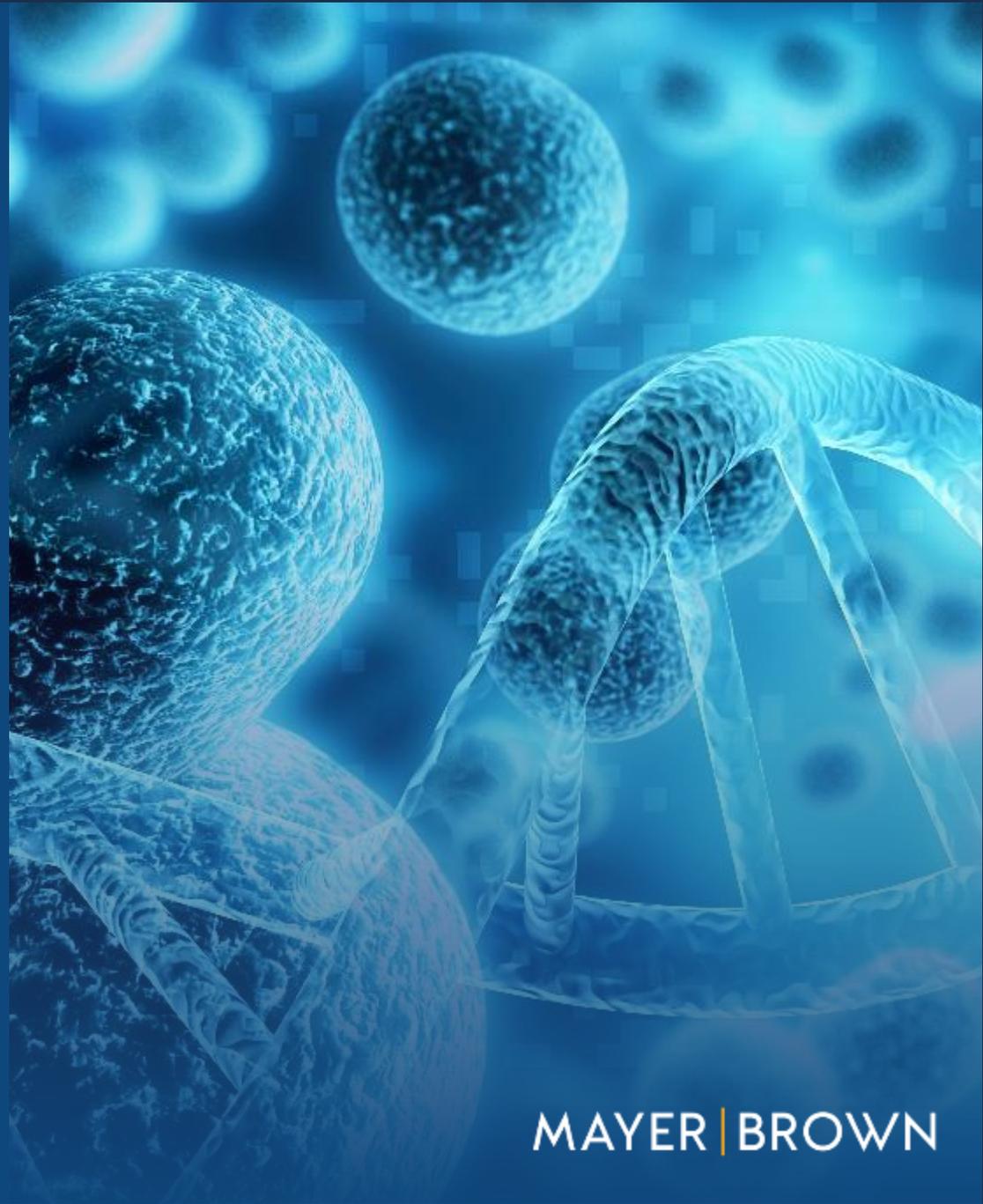


Corona Crisis | Status: 26 March 2020

Corona Crisis: Measure package of the German Federal Government, the Federal States and the European Union



MAYER | BROWN

Corona Crisis | March 2020

Measures of the German Federal Government

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Introduction

On 13 March 2020, in a joint statement by the Federal Minister of Finance, Olaf Scholz, and the Federal Minister of Economics and Energy, Peter Altmaier, the German Federal Government presented its package of measures to cushion the effects of the coronavirus.

The protective shield envisaged by the German government is to consist essentially of four pillars:

- (1) Flexibilitization of short-time work compensation
- (2) Tax liquidity support
- (3) Billion-euros protective shield for businesses and companies
- (4) Strengthening of the European cohesion

In addition, the German Federal Government has implemented further ancillary measures, such as a suspension of the obligation to file for insolvency.

The following pages are intended to provide an overview of the current measures taken by the German Federal Government. The measures described are not exhaustive and may in some cases be subject to change.

“We have the financial strength to overcome this crisis. There is enough money and we are using it. We are taking all necessary measures to protect employees and companies. Everyone can rely on that. ”

*German Federal Minister of Finance,
Olaf Scholz*

Corona Crisis | March 2020

Short-time Compensation

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Short-time Compensation

On 13 March 2020, the German Parliament passed the **Act on the Temporary Improvement of the Regulations for Short-Time Work Compensation** under summary proceedings, thereby authorizing the German Federal Government to lower the requirements for the receipt of short-time working compensation until 31 December 2021. A corresponding regulation has also already been passed by the German Federal Government.

The following measures have been implemented:

- Registration of short-time work as soon as at least **10% of the employees** of the company are affected
(Previously: 1/3 of the employees)
- **Waiver of negative working-time balances**
(Previously: Priority should be given to agreements on working-time fluctuations)
- Federal Employment Agency (*Bundesagentur für Arbeit*) **reimburses social security contributions** for employees on short-time work
(Previously: employer's obligation to pay contributions even in the event of short-time working)
- **Temporary employees** can also receive short-time work compensation
(Previously: no short-time work compensation for temporary employees)

“Our goal is that in this situation no job and no company is permanently damaged.”

*German Federal Minister of Labor,
Hubertus Heil*

Short-time Compensation

Access to short-time work benefits is greatly facilitated for companies which are suffering from supply bottlenecks or which are closed down by the authorities. These facilitations took effect **retroactively from 1 March 2020**.

Procedure:

- (1) Notification of loss of work vis-à-vis the responsible Federal Employment Agency
- (2) Immediate decision by the Federal Employment Agency as to whether the requirements are met
- (3) Employer calculates short-time compensation and pays it out to employees
- (4) Written application of the employer for reimbursement of the short-time work compensation paid by him/her within a **limitation period of three months** (if possible, the forms of the Federal Employment Agency should be used)

Funding:

- Period of funding:
Generally limited to 12 months
- Funding amount:
Short-time work compensation is calculated on the basis of the net loss of remuneration; short-time workers generally receive 60% of the lost flat-rate net remuneration (67% in case of an increased benefit rate)

Corona Crisis | March 2020

Tax Liquidity

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Tax Liquidity

In order to improve liquidity, companies are to be granted the possibility of tax deferrals worth billions of euros.

In agreement with the supreme fiscal authorities of the Federal States, the Federal Ministry of Finance has provided for the following measures for taxes administered by the fiscal authorities of the Federal States on behalf of the Federal Government:

- Possibilities for the tax authorities to **grant deferrals of tax debts until 31 December 2020**
(upon application, with a description of the circumstances)
- **Adjustments of tax prepayments**
(upon application)
- **Waiver of enforcement measures and late-payment penalties** until 31 December 2020 for companies directly affected by coronavirus with respect to taxes that are in arrears
- The Federal Customs Administration and the Federal Central Tax Office have been instructed to meet the taxpayers' needs accordingly

“The economy can rely on us not to let them down - not today, not tomorrow, not the day after tomorrow.”

*German Federal Minister of Finance,
Olaf Scholz*

Corona Crisis | March 2020

Protective Shield

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Protective Shield

The German Federal Government intends to protect companies and employees with new and **unlimited liquidity** measures:

- Extension of existing liquidity support programs to facilitate access to advantageous credits
- Expansion of established instruments for the provision of credits by private banks:
 - Relaxation of the conditions for the KfW-Unternehmerkredit and the ERP Gründerkredit – Universell
 - Doubling of the maximum amount guaranteed by the guarantee banks (the Federation increases its share of risk to 10%)
 - Increase of the upper limit for operating funds to 50% (previously: 35%)
 - Guarantee banks can make decisions independently and within three days for amounts of up to 250,000 euros
 - The large guarantee scheme will also be opened to businesses located outside of the less favored regions
 - Launch of additional special programs at KfW
 - Provision of export credit guarantees

“Applications for the approved aid credits are possible immediately and will be processed quickly. This is a good signal.”

German Federal Minister of Energy and Economics, Peter Altmaier

Economic Plan Stabilization Fund Act

On 25 March 2020, the German Parliament approved the Economic Plan Stabilization Fund Act.

This provides for the establishment of a federal "**Economic Stabilization Fund – WSF**", in order to implement measures to stabilize the economy and secure jobs for a limited period of time. It will be limited until the end of 2021.

The law includes the following stabilization measures:

- **Guarantee framework of 400 billion euros** for refinancing on the capital market
- Authorization for **100 billion euros** of credits for **capital enhancement** (recapitalization measures)
- Authorization for **100 billion euros** of additional credits to **refinance the KfW special programs**

Addressed are commercial enterprises which meet at least two of the following three criteria in the last two (balance sheet closed) years:

- Balance sheet total of more than 43 million euros
- Turnover of more than 50 million euros
- More than 249 employees on an annual average

Excluded are in particular companies of the financial sector as well as credit institutions.

“We are now doing everything we can to lift this unprecedented crisis. With the fund, we are providing ourselves with the necessary financial strength to protect our economy, jobs and major German companies. In addition to the KfW loan program that has already been adopted, the fund will make large-scale aid possible. This includes state guarantees as well as the possibility for the state to take temporary stakes in companies.”

*German Federal Minister of Finance,
Olaf Scholz*

KfW Unternehmerkredit (037/047)

To finance companies and freelancer that have been active on the market for at least five years, investments and working capital with a loan amount of up to one billion euros are promoted, with KfW assuming part of the credit risk:

- **Risk assumption of up to 90%** for small and medium-sized enterprises (up to 250 employees and up to 50 million euros turnover)
- **Risk assumption of up to 80%** for larger companies (more than 250 employees and more than 50 million euros turnover or more than 43 million euros balance sheet total)

Procedure:

Application via house bank using forms for de minimis declaration, supplementary information regarding "special measure corona help", self-declaration regarding company size, declaration of consent for credit enquiries, etc.

“We take responsibility and do everything we can to help companies in Germany and provide them with liquidity quickly. In times like these it is particularly important to stick together. That is why we work together with the German banking industry to ensure that the aid loans are implemented effectively and without complications.”

*Chairman of the Board of Managing
Directors of KfW, Dr. Günther Bräunig*

ERP-Gründerkredit – Universell (073/074/075/076)

To finance start-ups and consolidation for up to five years after foundation, investments, operating equipment, material and goods warehouses are promoted with a loan amount of up to one billion euros, with KfW assuming part of the credit risk:

- **Risk assumption of up to 90%** for small and medium-sized enterprises (up to 250 employees and up to 50 million euros turnover)
- **Risk assumption of up to 80%** for larger companies (more than 250 employees and more than 50 million euros turnover or more than 43 million euros balance sheet total)

Procedure:

Application via house bank using forms for de minimis declaration, supplementary information regarding “special measure corona help”, self-declaration regarding company size, declaration of consent for credit enquiries, etc.

“The German banks and savings banks are aware that, together with KfW, they have a central role in crisis management. As reliable partners of the enterprises they are ready to support them in the crisis.”

President of the Federal Association of German Volksbanken and Raiffeisenbanken, Marija Kolak

KfW Special Program

Direct participation for syndicated financing (855)

KfW participates in syndicated financing for investments and operational loans of medium-sized and large enterprises, whereas KfW assumes **up to 80%** of the risk, but no more than 50% of the risks of the total debt.

The share of KfW's risk amounts to at least 25 million euros and 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

Optionally, all banks participating in the consortium can be refinanced by KfW.

“The German banks and savings banks are aware that, together with KfW, they have a central role in crisis management. As reliable partners of the enterprises they are ready to support them in the crisis.”

President of the Federal Association of German Volksbanken and Raiffeisenbanken, Marija Kolak

Corona Crisis | March 2020

Financial Emergency Aids

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Financial Emergency Aids

To support micro-entrepreneurs and the self-employed, the German Federal Government has provided for financial emergency aids in the form of **one-off non-repayable subsidies** (total volume of 50 billion euros).

Promotion:

- Up to 9,000 euros for three months for up to 5 employees
- Up to 15,000 euros for three months for up to 10 employees
- If the lessor reduces the rent by at least 20%, the possibly unused subsidy can also be used for another two months

Applications are approved by the respective Federal States or municipalities.

“We are going all out to help even the smallest companies and solo self-employed persons.”

*German Federal Minister of Finance,
Olaf Scholz*

Corona Crisis | March 2020

Law to mitigate the
consequences of the
corona pandemic in
civil, insolvency and
criminal procedure
law

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Law to mitigate the consequences of the corona pandemic

On 25 March 2020, the German Parliament passed the **Law to mitigate the consequences of the corona pandemic in civil, insolvency and criminal proceedings**.

This law includes, among other things:

- Suspension of the obligation to file for insolvency
- Measures in corporate-, cooperative-, association-, foundation- and residential property law
- Suspension of the periods of interruption in criminal proceedings
- Moratorium for consumers and micro-entrepreneurs
- Restrictions on the termination of rental and lease agreements
- Deferrals of payment obligations under consumer loan agreements

On the following pages, you will find further information on the suspension of the obligation to file for insolvency, the moratorium, the restrictions of the termination of tenancy and lease agreements and the deferral of payment obligation under consumer loan agreements.

“We are doing everything we can to secure the economic existence of the people in the corona crisis. ”

*German Federal Minister of Justice
and Consumer Protection,
Christine Lambrecht*

Corona Crisis | March 2020

Suspension of the Obligation to file for Insolvency

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Suspension of Obligation to file for Insolvency

The obligation to file for insolvency has been suspended until 30 September 2020, whereby the German Federal Government has been authorized to extend this period up to 31 March 2021.

Prerequisites (which are presumed unless the debtor was insolvent on 31 December 2019)

- Reason for insolvency must be based on the effects of the Corona epidemic
- Reasonable prospect of successful restructuring (e.g., by applying for public aid or serious financing or restructuring negotiations)

The suspension of the obligation to file for insolvency is accompanied by further regulations, in particular:

- An exception to the personal liability of managing directors for payments after insolvency maturity by suspending the payment ban
- Incentives to inject new liquidity by partial cancellation of the subordination of shareholder loans and exceptions to voidability in the event of a subsequent insolvency

“We want to prevent companies having to file for bankruptcy just because the aid decided on by the Federal Government does not reach them in time.”

*German Federal Minister of Justice and Consumer Protection,
Christine Lambrecht*

Corona Crises | March 2020

Moratorium

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Moratorium

Further, a moratorium was implemented by the law to mitigate the consequences of the corona pandemic in civil, insolvency and criminal proceedings. Thereunder, consumers and micro-entrepreneurs are entitled to refuse fulfillment of essential continuing obligations (i.e., contracts required for adequate utility services, such as electricity, gas, telecommunications and water) until 30 June 2020

Requirements:

- The contract had been concluded prior to 8 March 2020
- The consumer or micro-entrepreneur is unable to perform such contract without jeopardizing his decent livelihood due to the corona pandemic

“We are doing everything to secure the economic existence of the people in the corona crisis. Above all, their own homes and the supply of electricity, water and communications are vital.”

*German Federal Minister of Justice
and Consumer Protection,
Christine Lambrecht*

Corona Crisis | March 2020

Protection of tenants against eviction

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Protection of tenants against eviction

The Law to mitigate the consequences of the corona pandemic in civil, insolvency and criminal proceedings provides for a ban on termination up to and including 30 June 2022 to protect tenants. This is intended to prevent, among other things, that tenants or leaseholders of commercial premises and land lose the basis of their professional occupation as a result of temporary loss of income due to the corona pandemic.

Requirements:

- The reason for termination lies in the tenant not paying rent in the period from 1 April 2020 to 30 June 2020 despite such rent being due
- The non-performance is based on the effects of the corona pandemic

This provision is, however, not intended to relieve tenants from their obligation to pay rent. Late payment may therefore still give rise to interest on arrears.

“Anyone who is unable to pay at short notice and receive assistance in time because of their loss of income must not be dismissed now. We will ensure this by law.”

*German Federal Minister of Justice and Consumer Protection,
Christine Lambrecht*

Corona Crisis | March 2020

Deferrals of payment obligations under consumer loan agreements

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Consumer loan agreements

In order to protect consumers, the law to mitigate the consequences of the corona pandemic in civil, insolvency and criminal proceedings provides for a deferral of three months of the lender's repayment, interest or redemption claims that become due between 1 April 2020 and 30 June 2020.

The Federal Government was authorized to extend the scope to also include micro-entrepreneurs, as well as small and mid-sized entities.

Requirements:

- The loan agreement has been entered into prior to 15 March 2020
- The consumer faces a loss of income that is based on the effects of the corona pandemic
- The payment obligations become unreasonable

This regulation is accompanied by an exclusion of the possibility to terminate a loan agreement due to late payment. In addition, lenders are obliged to discuss the possibility of an amicable amendment of the loan agreement with the borrower after expiry of the deferral period.

“We show that we are stronger than the problem we may face. ”

*German Federal Minister of Finance,
Olaf Scholz*

Corona Crisis | March 2020

Measures of the German Federal States

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Measures of the German Federal States

The German Federal States have already implemented various measures to relieve and support companies. Further measures are, in parts still in preparation.

The following pages are intended to provide an overview of the various measures taken by the German Federal States (implementation of the German Federal Government's package of measures as well as its own measures). The measures described are not exhaustive and may, in some cases, be subject to change.

“We need to develop an overall strategy to stimulate the economy in a truly sustainable way.”

Bavarian Prime Minister, Markus Söder

Corona Crisis | March 2020

Baden-Württemberg

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Baden-Württemberg

- **Indefinite lifting of the ban on trucks** transporting food, hygiene products and medicines
- **Well-proven programs** for investments, operating equipment, liquidity and bridge financing of the Landesbank and Bürgschaftsbank Baden-Württemberg with preferential processing of Corona-related applications (applications via house bank)
- **One-off non-repayable grant**, graduated according to the number of employees
 - up to 9,000 euros for up to 5 employees
 - up to 15,000 euros for up to 10 employees
 - up to 30,000 euros for up to 50 employees(fully electronic application process on the website of the Ministry of Economy)
- **Increase of the guarantee rate** to 80% up to a loan amount of 3.125 million euros by the guarantee bank and, for amounts exceeding this amount, by the L-Bank (applications via house bank)
- **Tax relief** in the form of, for example, deferral of tax payments due and reduction of advance tax payments

// In this situation, in order to avoid corporate insolvencies and safeguard employment in the country, we must mobilize all possible instruments at all levels in the short term. //

*Minister of Economics,
Nicole Hoffmeister-Kraut*

Baden-Württemberg

The following further measures are in preparation:

- **Investment funds** to strengthen the equity capital of systemically important companies
- **Crisis advice program** on liquidity planning, the Corona emergency aid and further aid measures (to be made available online)

“ I am convinced that together we can find ways and means to get through this difficult time. ”

*Minister for Economic Affairs,
Nicole Hoffmeister-Kraut*

Corona Crisis | March 2020

Bavaria

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Bavaria

- **Lifting of the driving ban on trucks** weighing 7.5 tonnes or more for all goods, including empty runs (limited until 29 March 2020, for durable food and hygiene products until 30 May 2020)
- **Emergency aid fund** for freelancers, self-employed persons, small and medium-sized enterprises with up to 250 employees. This is a graduated support program:
 - up to 5 employees: 5,000 euros
 - up to 10 employees: 7,500 euros
 - up to 50 employees: 15,000 euros
 - up to 250 employees: 30,000 eurosApplication forms are to be sent to the locally responsible approval authority; emergency aid is transferred directly to the applicant's account
- **Bayernfonds** for participation in previously healthy medium-sized companies with a key function (it is currently being examined which companies would qualify)

“With this overall package, we are showing our determination to save as many companies as possible. The aim is to rescue the liquidity of the companies, the core substance of our economy and as many jobs as possible through the crisis.”

Minister of Economics, Hubert Aiwanger

Bavaria

- **Extension of the guarantee framework** for the LfA Förderbank Bayern to 500 million euros; increase of the guarantee ratio for operational financing and indemnification in the universal credit to 80% each; indemnification in the universal credit of up to four million euros will also be opened up to larger mid-sized companies; promotion procedures will be considerably accelerated
- **Universal loan** of up to 10 million euros per investment project for commercial companies with an annual turnover of up to and including 500 million euros and freelancers
- **Acute loan** of up to two million euros for SMEs
- **Tax relief**

“ We take our joint responsibility for Bavarian companies seriously. ”

Minister of Economics, Hubert Aiwanger

Corona Crisis | March 2020

Berlin

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Berlin

- **Lifting of the driving ban on trucks** of 7.5 tonnes or more for all goods and empty runs (limited until 1 June 2020)
- **Opening of the BERLIN liquidity support program**
 - **Interest-free loan** of up to 0.5 million euros and a term of two years (in exceptional cases also over 2.5 million euros with an interest rate of 4% p.a.) for all small and medium-sized enterprises with up to 250 employees, including freelancers (applications available on the website of the Investitionsbank Berlin (IBB), which will also be responsible for examining and granting liquidity assistance)
 - **5,000 euro grant** for micro and solo enterprises with a maximum of five employees (applications are possible from 27 March 2020, noon on the IBB website)
- **Increase of the guarantee rate** to 2.5 million euros
- **Tax relief** through, e.g., non-bureaucratic reduction of prepayments or the possibility of an (interest-free) deferral

“Our task is to guide the Berlin economy through the coming weeks and months as unscathed as possible. We will do everything we can to ensure that companies get through the crisis in good shape, save livelihoods and secure jobs.”

Economics Senator, Ramona Pop

Corona Crisis | March 2020

Brandenburg

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Brandenburg

- **Lifting of the driving ban on trucks** of 7.5 tonnes or more for everyday retail goods (limited to the end of May 2020)
- **Existing funding opportunities** from the Investitionsbank für das Land Brandenburg (ILB) such as loans for SMEs and start-ups (for existing loan commitments in this area, a waiver of repayment of principal can be applied for until 30 September 2020)
- **Tax relief**, e.g., in the form of tax deferrals or adjustment of the advance payment
- **Adjustment of the consolidation and site protection program** and opening it to almost all sectors (formal application form for submission at the house bank; eligible for application are small and medium-sized enterprises as well as smaller state-owned commercial enterprises in the state of Brandenburg which are temporarily in economic difficulties (no start-ups))
- Possibility of **support requests** at the Wirtschaftsförderung Brandenburg (WFBB) (to speed up the procedure, a questionnaire must be completed)

“The companies are affected, for example, because sales are lost or supply chains are interrupted. As a result, considerable economic damage is to be expected. That is why I have asked the tax authorities in the country to offer various tax relief measures to alleviate the financial difficulties of the companies affected.”

Minister of Finance, Katrin Lange

Brandenburg

- **One-off non-repayable grant** dependent on the damage incurred and graduated according to the number of employees:
 - up to 9,000 euros for up to five employees
 - up to 15,000 euros for up to 15 employees
 - up to 30,000 euros for up to 50 employees
 - up to 36,000 euros for up to 100 employees
(Applications on the ILB website)
- **Increase of the guarantee** rate to 2.5 million euros for small and medium-sized enterprises and freelancers

// The corona crisis poses enormous challenges for our economy. With the emergency aid program we offer companies and freelancers fast and unbureaucratic help. We are confident that this will enable us to reduce the economic impact of the pandemic. Our goal is to prevent insolvencies and to preserve jobs. //

Minister of Economics, Jörg Steinbach

Corona Crisis | March 2020

Bremen

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Bremen

- **Permanent lifting of the driving ban on trucks** of 7.5 tonnes or more for basic foodstuffs
- **Creation of a central contact point** by the "BAB Task Force" at the BAB - Förderbank für Bremen und Bremerhaven
- **Additional budget** of the BAB - Förderbank für Bremen und Bremerhaven (BAB) (10 million euros)
- **Prioritisation of affected companies** by the BAB - Förderbank für Bremen und Bremerhaven
- **Increase of the guarantee rate** to 2.5 million euros for loans from the principal banks (for guarantee applications up to 250,000 euros, rapid approval is given within a few days)
- **Loans for working capital** for freelancers and small entrepreneurs up to 50,000 euros in the first year free of interest and repayment, thereafter interest rate 3% p.a.; if required, also loans from 50,000 euros with other interest rates (application on the BAB website)

“Our goal is to respond to needs at short notice and non-bureaucratically in order to relieve the burden on small and medium-sized enterprises in Bremen in particular.”

Managing Director of BAB, Kai Sander

Bremen

- **Tax relief** such as the reduction or suspension of current advance payments (upon request), interest-free deferral of tax payments due, remission of late payment penalties and waiver of enforcement measures
- **One-off, non-repayable grant of** up to 5,000 euros (up to 20,000 euros in case of special needs) for micro-entrepreneurs with fewer than ten employees and less than two million euros annual turnover and freelancers
(application on the website of the BAB)

“It was good that we in Bremen got this emergency aid off the ground so quickly to help companies and self-employed people in need until the Federation’s programs take effect. ”

Senator for Economics, Labour and Europe, Kristina Vogt

Corona Crisis | March 2020

Hamburg

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Hamburg

- **Lifting of the driving ban on trucks** weighing 7.5 tonnes or more for basic foodstuffs (limited until 16 April 2020)
- With **Hamburg-Kredit Gründung und Nachfolge (GuN)**, small and medium-sized enterprises and freelancers, as well as other service providers who have been active on the market for a maximum of five years, can obtain loans of up to 750,000 euros per project (maximum 1.5 million euros in three calendar years) for investments, operating resources (including warehouses), expansion of business activities and to compensate for temporary liquidity bottlenecks (application via your house bank)
- Small and medium-sized companies, freelancers and persons who rent or lease commercial real estate commercially and have been active on the market for at least five years can obtain working capital loans of up to 500,000 euros from the **Hamburg-Kredit Wachstum** development program (application via the principal bank)
- **Guarantees** of the Bürgschaftsgemeinschaft Hamburg for borrowings of companies through guarantees of up to 2.5 million euros with a guarantee rate of up to 80%.
- **State guarantees** to promote the economy for loans to companies in various sectors, provided that guarantees from the Bürgschaftsgemeinschaft Hamburg are not eligible (applications are only processed after payment of a processing fee)

“The important thing now is that, together with the federal government and our own funding instruments, we create the framework to help companies as quickly and unbureaucratically as possible.”

*Senator for Economic Affairs,
Michael Westhagemann*

Hamburg

- **Tax relief**, e.g., by taking advantage of reductions or suspensions of current advance payments (upon application), deferrals, waiver of a late payment surcharge and waiver of enforcement measures

The following measures are planned and will be implemented shortly:

- **Hamburger Corona Soforthilfe (HCS)**: one-off, non-repayable grant of 2,500 euros for solo self-employed persons and 5,000 euros up to a maximum of 25,000 euros (graduated according to employees) for small and medium-sized enterprises
- **Hamburger Kredit Liquiditäts (HKL)**: Loans for working capital of up to 250,000 euros for small and medium-sized enterprises by Förderbank Hamburg (IFB)

“In addition to the measures taken by the Federation, we want to send a clear signal to our city in this difficult situation with our protective shield: Hamburg acts and helps! ”

Senator of Finance, Dr. Andreas Dressel

Corona Crisis | March 2020

Hesse

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Hesse

- **Lifting of the ban on truck driving** for delivery with goods from dry goods and hygiene products (limited until the end of June 2020)
- **Tax relief**, e.g., in the form of (usually) interest-free tax deferrals, reduction of advance payments and waiver of enforcement measures
- Financing products via Wirtschafts- und Infrastrukturbank Hessen (WIBank) and Bürgschaftsbank Hessen (applications only via the principal bank):
 - **Capital for small investors (KfK)**: Loans between 25,000 and 150,000 euros for small companies and freelancers with up to 25 employees and an annual turnover of five million euros; topping up by the principal bank by at least 50%; no standard bank securities required
 - **Start-up and Growth Financing Hesse (GuW)**: Small and medium-sized enterprises with up to 250 employees and a turnover of 50 million euros can obtain up to one million euros in working capital loans from their principal bank
 - **Guarantees** of Bürgschaftsbank Hessen with the state of Hesse of up to 2.5 million euros with a guarantee ratio of up to 80%, including express guarantees for loans of up to 312,500 euros with a guarantee ratio of 80%
 - **Land guarantees** in special cases up to 2.5 million euros

“The ultimate aim is to ensure that companies remain liquid until the situation returns to normal. ”

Minister of Economy, Tarek Al-Wazir

Hesse

- **Loans of up to 200,000 euros** for small and medium-sized enterprises (i.e. less than 250 employees and a maximum annual turnover of 50 million euros) and freelancers; co-financing by the house bank of at least 20% is required; no collateral customary in banking is required (application via house bank)
- **Promotion of the preparation of redevelopment reports** in accordance with IDW S6 with a subsidy of 50% of the report costs, but a maximum of 10,000 euros (application on the WIBank website)

The following measures are planned and will be implemented shortly:

- **Corona emergency aid:** one-off, non-repayable grant, graduated according to the number of employees and for 3 months at a time:
 - up to 10,000 euros for up to 5 employees
 - up to 20,000 euros for up to 10 employees
 - up to 30,000 euros for up to 50 employees(Application to the Kassel Regional Council possible from 30 March 2020)

“Both the emergency aid and the liquidity support for Hessian SMEs improve the financing structure and liquidity situation of small and medium-sized enterprises in an unbureaucratic way.”

Minister of Economy, Tarek Al-Wazir

Corona Crisis | March 2020

Mecklenburg Western Pomerania

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Mecklenburg Western Pomerania

- **Lifting of the ban on truck driving** for medical supplies and dry goods (limited until 16 September 2020)
- **Special state guarantee programme** for liquidity support for companies particularly affected by the Corona crisis (applications should be processed within one week)
- **Doubling of the guarantee volume** of Bürgschaftsbank M-V for loans from house banks to 2.5 million euros with a guarantee rate of 80% (online application procedure)
- **Fast guarantees for loan volumes of up to 625,000 euros** in a simple procedure by the Bürgschaftsbank
- **Repayable subsidy for companies** up to 200,000 euros and a term of five years, whereby loans up to 20,000 euros are interest-free; can be applied for in a simplified procedure at the Gesellschaft für Arbeitsmarkt und Strukturentwicklung (GSA) (application possible from 1 April 2020 on the GSA website, application reservation possible immediately)
- **Liquidity subsidies for companies and self-employed persons**, graduated according to the number of employees:
 - up to 9,000 euros for up to five employees
 - up to 15,000 euros for up to ten employees
 - up to 25,000 euros for up to 24 employees
 - up to 40,000 euros for up to 49 employees(Application on the website of the Landesförderinstitut)

“Our goal must be to contain the impact of the coronavirus on the economy. To this end, we need a joint effort. Jobs and businesses must be secured.”

*Minister of Economy, Labor and Health,
Harry Glawe*

Corona Crisis | March 2020

Lower Saxony

MAYER | BROWN

Lower Saxony

- **Lifting of the ban on truck driving** for medical supplies and dry goods
(limited until 30 May 2020)
- **Liquidity loan** for small and medium-sized enterprises and freelancers (fewer than 250 employees and a maximum annual turnover of 50 million euros) for up to 50,000 euros with a term of ten years
 - no provision of collateral required;
 - two years interest-free(Application online at the customer portal of Investitions- und Förderbank Niedersachsen (N-Bank))
- **Immediate aid** for small companies and freelancers (up to 49 employees and annual turnover of ten million euros) as well as solo self-employed persons and founders, graduated according to the number of employees:
 - up to 3,000 euros for up to five employees
 - up to 5,000 euros for up to ten employees
 - up to 10,000 euros for up to 30 employees
 - up to 20,000 euros for up to 49 employees(Application on the website of the N-Bank)

// We want to help where there is a need and supplement the emergency aid provided by the Federation so that, if possible, no company is lost as a result of the corona crisis alone. In this context, fast and uncomplicated support in existential emergency situations is essential. We can readjust later. We are also working flat out on the implementation of the federal emergency aid in exchange with all the Federal States. //

*Minister of Economics,
Dr. Bernd Althusmann*

Lower Saxony

- **Increase of the guarantee rate** to 2.5 million euros with a guarantee rate of 80% for small and medium-sized enterprises with up to 250 employees by the Niedersächsische Bürgschaftsbank (NBB); guarantee for up to 240,000 euros in express procedure (application via house bank)
- **Tax relief**, e.g. in the form of tax deferrals, reduction of advance payments and waiver of enforcement measures
- **State guarantees**
- **Participation programme** of the Mittelständische Beteiligungsgesellschaft mbH (MBG)
- Monthly **financial aid** to the rural districts, independent towns and special-purpose associations as public transport authorities for April to December 2020 (advance payment of 67.5 million euros)

“It is therefore important that we close the funding gaps with state programs and support in particular those companies that will not benefit from the announced federal programs.”

*Minister of Economics,
Dr. Bernd Althusmann*

Corona Crisis | March 2020

Northrhine-Westphalia

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Northrhine-Westphalia

- **Lifting of the ban on truck driving** for articles of the dry goods range (limited until 30 May 2020)
- The **NRW.Bank.Universalkredit** serves to bridge liquidity bottlenecks, operational financing and investment activity quickly and non-bureaucratically. Operational loans have a term of up to ten years **with up to one grace year**. The risk assumption was **temporarily increased to 80%** (previously: 50%). **The minimum loan amount is suspended**. For indemnity amounts of up to 250,000 euros, loan commitments are made within 72 hours. Commercial companies, freelancers and business start-ups are eligible to apply (application procedure via the house bank).
- **Guarantee** by Bürgschaftsbank Nordrhein-Westfalen up to an amount of 2.5 million euros with a guarantee quota of 80% (application through the house bank) and guarantee of 2.5 million euros through state guarantees
- Bürgschaftsbank Nordrhein-Westfalen offers **EXPRESS guarantee** (decision within 72 hours) for 250,000 euros

“We are well equipped in North Rhine-Westphalia in the short term to quickly help our companies in cooperation with the federal government to bridge liquidity bottlenecks and preserve jobs.”

*Minister of Economics and Digital Affairs,
Prof. Dr. Andreas Pinkwart*

Northrhine-Westphalia

- Small companies and start-ups can apply for investment capital of up to 75,000 euros from the **micromezzanine fund** (silent partnership) (application to the Kapitalbeteiligungsgesellschaft NRW, without involvement of the principal bank and without collateral)
- **Emergency aid** for small businesses and freelancers, start-ups and solo self-employed, graduated according to the number of employees in the following three months:
 - up to 9,000 euros for up to five employees
 - up to 15,000 euros for up to ten employees
 - up to 25,000 euros for up to 50 employees(Application on the website of the Ministry of Economy possible from 27 March 2020)
- **Tax relief**, e.g. in the form of interest-free tax deferrals, reduction of advance payments and waiver of enforcement measures

“Small and medium-sized enterprises play a key role in North Rhine-Westphalia's economy.”

*Minister of Economics and Digital Affairs,
Prof. Dr. Andreas Pinkwart*

Corona Crisis | March 2020

Rhineland Palatinate

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Rhineland Palatinate

- **Lifting of the ban on trucks driving** on Sundays and public holidays for deliveries of dry goods and hygiene products (up to and including 26 April 2020)
- **Creation of a "Corona Business Assistance Unit"** to coordinate all measures
- **Guarantees** from Bürgschaftsbank Rheinland-Pfalz GmbH (up to 2.5 million euros; creation of an individual competence for guarantees of up to 250,000 euros for acceleration) and Investitions- und Strukturbank Rheinland-Pfalz (ISB) (from 2.5 million euros; in both cases a guarantee quota of up to 80% is possible; applications via the house bank)
- **Program loan** from Investitions- and Strukturbank Rheinland-Pfalz (ISB) to cover immediate financing requirements (operational equipment)
- **Supplementary budget** adopted to deal with the Corona crisis, a total of 3.3 billion euros will be made available in a combination of guarantees and cash
- Application for **reduction of tax prepayments** as well as **equity measures**, e.g. deferral, remission or postponement of enforcement possible

“At present, the most important thing is to secure the liquidity of our companies. The German government has already taken the first important steps in this direction, which we as a country are meaningfully supplementing and strengthening.”

Minister of Economics, Dr. Volker Wissing

Rhineland Palatinate

The following measures are planned and will be implemented shortly:

- **Corona Emergency Aid:** one-off grant and, if necessary, immediate loans scaled according to the number of employees:
 - up to 9,000 euros grant and 10,000 euros immediate loans for up to five employees
 - up to EUR 15,000 grant and 10,000 euros immediate loan for up to ten employees
 - up to 30,000 euros in immediate loans and a subsidy of 30% of the loan amount for up to 30 employees

(Application on the website of the Investitions- und Strukturbank Rheinland-Pfalz will be available shortly)

“We do not leave our companies and their employees standing in the rain.”

Minister of Economics, Dr. Volker Wissing

Corona Crisis | March 2020

Saarland

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Saarland

- **Indefinite lifting of the ban on truck driving**
- Conversion of the Task Force Enterprise Security into an **emergency call portal** for the Saarland economy (first contact point for further information)
- A ten million **credit program** "Sofort-Kredit Saarland" by Saarländische Investitionskreditbank (SIKB) is currently being developed; among these, loan amounts of up to 500,000 euros for working capital are possible without the provision of surety (probably available from the end of March)
- **Information and consulting services** for companies that are unsure how to use the existing instruments (e.g. short-time work)
- Enabling **flexible working time arrangements** to ensure that the population is supplied with essential goods and services
- Council of ministers decides to prepare a **supplementary budget**
- **Tax relief**, e.g. in the form of interest-free tax deferrals, reduction of advance payments and waiver of enforcement measures
- Supporting a suspension of the aid rules and raising the de minimis threshold
- **Emergency aid:** Grants for solo self-employed persons and micro-entrepreneurs with no more than ten employees receiving between 3,000 and 10,000 euros, depending on the number of employees (application on the website of the Saarland State Chancellery)

// We want to send a signal in an uncertain market: We will take all measures possible to avoid job losses and long-term damage to the economy. We will not leave Saarland companies alone. //

Economics Minister, Anke Rehlinger

Corona Crisis | March 2020

Saxony

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Saxony

- **Lifting of the ban on truck driving** for medical supplies and dry goods
(limited until 5 April 2020)
- **Special programme "Saxony helps immediately"** for micro-entrepreneurs and freelancers with an annual turnover of up to one million euros through an interest-free, subordinated loan of 5,000 euros to a maximum of 50,000 euros from the Sächsische Aufbaubank - Förderbank (SAB)
(application on the SAB website)
- **Increase of the maximum guarantee rate** to 2.5 million euros with a guarantee rate of 80%; halving of the handling fee; guarantees of up to 500,000 euros within one bank working day can be granted in the express procedure
- Hotline for companies at the Sächsische Aufbaubank (SAB)
- **Tax relief**, e.g. in the form of interest-free tax deferrals, reduction of advance payments and waiver of enforcement measures
- **Deferral of IHK contributions** and **adjustment** of provisional IHK contributions for the year 2020 (informal application sufficient)

“We cannot wait for the federal government to react, but want to make advance payments now. A special programme is therefore to be set up for micro and small enterprises that are currently falling through the ranks of existing support schemes. We are now creating the conditions for this so that implementation can start next week.”

Minister of Economics, Martin Dulig

Corona Crisis | March 2020

Saxony-Anhalt

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Saxony-Anhalt

- **Lifting of the ban truck driving** (limited until 31 August 2020)
- **Central hotline** of the Ministry of Economic Affairs for companies
- **Tax relief**, e.g. in the form of tax deferrals, reduction of advance payments and waiver of enforcement measures
- Investitionsbank Sachsen-Anhalt and Bürgschaftsbank Sachsen-Anhalt as secondary contact points (loans of up to 390 million euros can be secured by Bürgschaftsbank and Mittelständischer Beteiligungsgesellschaft Sachsen-Anhalt)
- **Emergency aid** for micro-enterprises and self-employed persons, graduated according to the number of employees:
 - up to 9,000 euros for up to five employees
 - up to 15,000 euros for up to 10 employees
 - up to 20,000 euros for up to 25 employees
 - up to 25,000 euros for up to 50 employees(Application probably possible on the website of the Investitionsbank Sachsen-Anhalt (IB) from 30 March 2020)

“We have many small and medium-sized companies in Saxony-Anhalt. We want to help them in the crisis quickly, effectively and unbureaucratically. With the aid package we are sending out a strong and determined signal. ”

Prime minister, Reiner Haseloff

Saxony-Anhalt

- Granting of **interest-free deferrals** of loan repayments or interest and deferral of enforcement against companies by IB (application on IB's website)
- Provision of **mass loans** and pre-financing of insolvency default money by IB
- Use of existing IB support programs such as **loans for SMEs and start-up loans**

“In the event of an emergency, up to 400 million euros in aid funds are available for companies in Saxony-Anhalt, with which even up to 600 million euros in liquidity can be secured.”

*Minister of Economics,
Prof. Dr. Armin Willingmann*

Corona Crisis | March 2020

Schleswig-Holstein

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Schleswig-Holstein

- **Lifting of the ban on truck driving** (limited until 26 April)
- The **"IB.SH Mittelstandskredit"** loan program for companies in liquidity difficulties, with the Land providing guarantees (framework was doubled to ten million euros)
- **Tax relief**
- **Central hotline** of IB.SH, MBG Mittelständische Beteiligungsgesellschaft mbH and Bürgschaftsbank Schleswig-Holstein for financing and guarantees
- **Emergency aid grant** (within the framework of the federal program) for small enterprises and solo self-employed persons, graduated according to the number of employees
 - up to 9,000 euros for up to five employees
 - up to 15,000 euros for up to 10 employees(Application on the website of Investitionsbank Schleswig-Holstein (IB.SH))
- **IB.SH support program** for small and medium-sized enterprises with a funding volume of up to two million euros (up to 750,000 euros in express procedure) (application via house bank)
- **Increase of the maximum guarantee rate** to 2.5 million euros (guarantees up to 250,000 euros in express procedure)

“We have thus created a substantial buffer to secure the supply of liquidity for small and medium-sized enterprises until further notice.”

*Minister of Economics,
Dr. Bernd Buchholz*

Corona Crisis | March 2020

Thuringia

MAYER | BROWN

Thuringia

- **Hotline** for companies at the Thüringer Aufbaubank
- **Creation of a protective screen in preparation**, in particular
 - extending the range of low-interest loans by creating the "Thüringer Kapital XXL" program to promote long-term subordinated loans
 - Creation of a 'Thuringia Fund' for temporary holdings in strategically important companies
- **Emergency aid grant** for small enterprises and freelancers graduated according to the number of employees:
 - up to 5,000 euros for up to five employees
 - up to 10,000 euros for up to 10 employees
 - up to 20,000 euros for up to 25 employees
 - up to 30,000 euros for up to 50 employees(Application on the website of the Thüringer Aufbaubank)
- **Corona special loan** up to EUR 50,000 at 0% interest rate for small and medium-sized enterprises
- **Increase of the maximum guarantee rate** to 2.5 million euros (guarantees of up to EUR 250,000 can be issued by express procedure within one banking day)

“Economically, a tsunami is currently rolling through the country.”

Economics Minister, Wolfgang Tiefensee

Corona Crisis | March 2020

Measures of the European Union

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European measures

On 13 March 2020, the EU Commission presented coordinated emergency measures to cushion the economic impact of coronavirus at the level of the European Union

Liquidity measures:

- Provision of 1 billion euros from the EU budget as a guarantee for the European Investment Fund to encourage banks to grant loans to small and medium-sized enterprises and mid-cap companies (around 8 billion euros of financial support will be provided to them in this way)
- Deferral of payments for particularly burdened companies in the repayment of loans

Coronavirus Response Investment Initiative:

- Member States shall have the necessary financial resources to combat the Corona crisis
 - Waiver of the recovery of unclaimed EU subsidies amounting to 8 billion euros
 - Provision of structural funds amounting to 29 billion euros and further unallocated structural funds of 28 billion euros

“ We are taking decisive action to strengthen our public health system and mitigate its impact on EU society and the economy. ”

*EU Commission President,
Ursula von der Leyen*

European measures

Flexibilitization of State aid law:

- EU State aid rules allow support measures for companies facing liquidity problems and in urgent need of rescue aid (e.g. loan guarantees or loans)
- Classification of the Corona outbreak as an 'exceptional occurrence' allows authorization of aid to compensate undertakings for damage caused by the Corona outbreak
- Commission considers that the consequences of the Corona outbreak in Italy are such that it may authorize additional national support measures to remedy a serious disturbance in the economy
- Implementation of procedural simplifications to allow for a rapid approval procedure by the Commission

Flexibilitization of the EU financial framework:

- One-off fiscal measures taken to offset the economic impact of the Corona outbreak (e.g. targeted support measures for companies and workers) should not be taken into account when assessing compliance with EU financial rules

“ We will take all necessary steps to support European citizens and the European economy. ”

*EU Commission President,
Ursula von der Leyen*

European measures

The European Central Bank has approved an extensive bond program, the **Pandemic Emergency Purchase Program (PEPP)** with a total volume of **750 billion euros**. Under this program, bonds in all securities categories can be purchased from countries that are already eligible under the European Central Bank's existing Asset Purchase Program (APP). Corresponding bond purchases will be made until at least the end of the year, although the European Central Bank has already made it clear that it will not terminate purchases under the PEPP until it believes that the Corona crisis has been overcome.

In addition, the European Central Bank will for the first time extend the range of assets eligible under the Corporate Sector Purchase Program (CSPP) to include short-term corporate bonds, so-called commercial papers, so that all commercial papers with sufficient credit quality will be eligible for purchase under the CSPP.

“Extraordinary times require extraordinary action.”

*President of the ECB,
Christine Lagarde*

Your Contacts



Dr. Marco Wilhelm

Partner | Frankfurt
+49 69 7941 1581
mwilhelm@mayerbrown.com



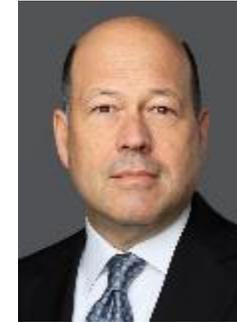
Dr. Guido Zeppenfeld

Partner | Frankfurt
+49 69 7941 2241
gzeppenfeld@mayerbrown.com



Volker Junge

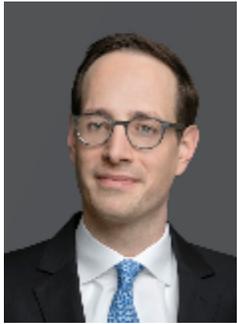
Partner | Frankfurt
+49 69 7941 1591
vjunge@mayerbrown.com



Ulrich Helm

Partner | Frankfurt
+49 69 7941 2271
uhelm@mayerbrown.com

Your Contacts



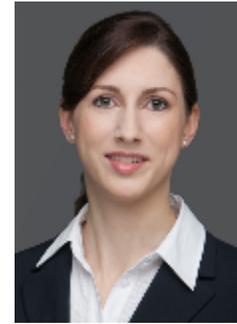
Dr. Martin Heuber

Partner | Frankfurt
+49 69 7941 1128
mheuber@mayerbrown.com



Dr. Malte Richter

Counsel | Frankfurt
+49 69 7941 2533
mrichter@mayerbrown.com



Stefanie Skoruppa

Senior Associate | Frankfurt
+49 69 7941 1059
sskoruppa@mayerbrown.com



Tina Hoffmann

Senior Associate | Frankfurt
+49 69 7941 1281
thoffmann@mayerbrown.com



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