

# COVID-19 Response: European Union

## GOVERNMENT MEASURES FOR BUSINESSES

### European Investment Bank:

- ▶ Guarantee schemes to banks based on existing programs for immediate deployment (up to €20bn)
- ▶ Liquidity lines to banks to ensure additional working capital support
- ▶ Asset-backed securities (ABS) purchasing programs to allow banks to transfer risk on portfolios of SME loans (€10bn)

### European Commission/ State aid Temporary Framework to enable Member States to:

- ▶ Direct grants (or tax advantages) up to €800,000 per company
- ▶ Give subsidized state guarantees on bank loans
- ▶ Enable public and private loans with subsidized interest rates
- ▶ Safeguard for banks that channel support to the real economy

### European Central Bank

- ▶ €750m pandemic emergency bond purchase program to fight COVID-19

### Other:

- ▶ This document only summarizes key measures initiated or in place on **23 March 2020**.

## ELIGIBILITY

### European SMEs and mid-caps - under strain from COVID-19

Only for companies that entered into difficulty after 31 December 2019 and aid granted to later than 31 December 2020.

TBD

## WHEN?

TBD – but €40bn available immediately

TBD – consultation paper sent to Member States on 16 March 2020