

COVID-19: Global Government Financial Assistance Measures

April 2020

Our global team can assist provide advice on eligibility for governmental financial assistance measures on a global basis.

This alert provides an overview of COVID-19 governmental financial assistance measures available in some of the principal jurisdictions: the United States, the United Kingdom, France, Germany, Italy, Spain and Sweden. Our team can cover advice on governmental financial assistance across the globe.

The COVID-19 crisis has led to a unprecedented governmental financial assistance on a global scale. This assistance is available to both large and small companies and their reach and availability are broad in nature and ever-evolving. As a global firm, we are in a position to guide our clients through a multijurisdictional analysis of the opportunities and limitations associated with the governmental responses to the COVID-19 crisis.

We have prepared a table which summarizes COVID-19 governmental financial assistance measures including, eligibility requirements, the ability of foreign-owned entities to receive assistance, and restrictions placed on those who receive financial assistance – across key jurisdictions. These are set forth in **Appendix A**. We have a detailed memorandum prepared for each jurisdiction in which we practice that can be accessed [here](#).

Due to the nature of the COVID-19 crisis, the governmental responses across jurisdictions have been complex and ever-evolving. As a global firm, we are in a position to guide our clients through a multijurisdictional analysis of the opportunities and limitations associated with the governmental responses to the COVID-19 crisis covering the key jurisdictions set forth in Appendix A and all other jurisdictions where we are present. We have assembled a team of experts (see **Appendix B**) in each of the jurisdictions in which we practice and have many others who are available to present coordinated and comprehensive global advice.

Appendix A - Overview of COVID-19 governmental financial assistance measures

Measure	USA	UK	Germany	France	Italy	Spain	Sweden
Is financial assistance locally provided?	YES	YES	YES	YES	YES	YES	YES
Can a subsidiary/businesses controlled by a foreign group benefit from the financial assistance measures?	YES	YES	YES	YES	YES	YES	YES
Programs	<ul style="list-style-type: none"> ▪ Federal guarantees for commercial loans. ▪ Financing of the bank system to grant low interest rate loans. ▪ Direct assistance scheme. 	<ul style="list-style-type: none"> ▪ Direct assistance scheme (CCF). ▪ State guarantees for commercial loans (CBILS for small and medium businesses and CLBILS for larger businesses). 	<ul style="list-style-type: none"> ▪ State guarantees for commercial loans. ▪ Direct recapitalisation measures. ▪ Financial aid via development bank. 	<ul style="list-style-type: none"> ▪ State guarantees for commercial loans. 	<ul style="list-style-type: none"> ▪ State guarantees for commercial loans. 	<ul style="list-style-type: none"> ▪ State guarantees for commercial loans. 	<ul style="list-style-type: none"> ▪ State guarantees for commercial loans.
Basic eligibility requirements	<ul style="list-style-type: none"> ▪ Businesses: created or organized under U.S. law; ▪ with significant operations in the U.S.; ▪ with a majority of their employees based in the U.S. 	<ul style="list-style-type: none"> ▪ Enterprises registered in UK. 	<ul style="list-style-type: none"> ▪ Enterprises registered in Germany. 	<ul style="list-style-type: none"> ▪ Enterprises registered in France. 	<ul style="list-style-type: none"> ▪ Enterprises registered in Italy. 	<ul style="list-style-type: none"> ▪ Enterprises registered in Spain. 	<ul style="list-style-type: none"> ▪ Enterprises registered in Sweden.
Main specific eligibility requirements	<p><u>CARES Act</u></p> <ul style="list-style-type: none"> ▪ Federal guarantees for commercial 	<p><u>CCFE</u></p> <p>Large corporations which:</p>	<p><u>Economic Stabilization Fund (“ESF”)</u></p>	<ul style="list-style-type: none"> ▪ Companies (with the exception of (i) real estate 	<p><u>SACE Guarantee Scheme</u></p>	<ul style="list-style-type: none"> ▪ The total amount (EUR 20,000,000,000) 	<p>The state loan guarantee primarily targets SMEs, but</p>

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	<p>loans are applicable to businesses of any size.</p> <ul style="list-style-type: none"> Low interest rate loans scheme is applicable to businesses with between 500 and 10,000 employees through government-financed bank lending.¹ 	<ul style="list-style-type: none"> provide a “material contribution” to the UK economy. were in “sound financial health immediately prior to the COVID-19 pandemic. have a credit rating or are listed as investment grade. <p><u>CBILS</u></p> <p>Small businesses which must:</p> <ul style="list-style-type: none"> be UK-based. have an annual turnover of no more than £45,000,000. have a borrowing proposal which the lender: a) would consider viable, were if not for the COVID-19 pandemic; b) believes will enable the business to trade out of any short-term to medium-term difficulty. <p><u>CLBILS</u></p> <p>Large businesses which must:</p>	<ul style="list-style-type: none"> Large companies must satisfy at least two of the following in the last two FY before 1 January 2020: (i) balance sheet total of more than EUR 43,000,000; (ii) revenues of more than EUR 50,000,000; (iii) more than 249 employees on the annual average. For Small businesses, guarantee support available if: (i) valued by private investors with an enterprise value of at least EUR 50,000,000 or (ii) if they operate in one of the critical industries. <p><u>KfW</u></p> <ul style="list-style-type: none"> No financial difficulties prior to 31-Dec-2019. Companies to have a favorable business outlook. 	<p>companies, (ii) credit institutions and financing companies, (iii) companies subject to ongoing safeguard, judicial reorganization or liquidation proceedings, and or companies deemed to be “undertakings in difficulty”</p> <ul style="list-style-type: none"> Eligible loans: new money loans granted between 16 March 2020 and 31 December 2020. 	<p>Any type of enterprise which as of 31 December 2019:</p> <ul style="list-style-type: none"> was not classified as an “undertaking in difficulty” (<i>impresa in difficoltà</i>) under EU Regulation no. 651/2014, the EU Regulation no. 702/2014 and the EU Regulation no. 1388/2014. whose liabilities, as of 29 February 2020, were not classified as “deteriorated” by the lending banks <p><u>Central Guarantee Fund</u></p> <ul style="list-style-type: none"> SMEs with less than 500 employees. <p><u>State Guarantees of CDP Loans</u></p> <p>Companies which:</p> <ul style="list-style-type: none"> are to large to apply for the Central Guarantee Fund guarantee (see above); 	<p>will be apportioned among self-employees, SMEs (as defined in Annex I of EU Regulation 651/2014 of the Commission and other companies.</p> <ul style="list-style-type: none"> To be assessed on a case by case basis within the analysis of the transactions by the relevant bank/ICO. 	<p>there is no formal company size limit of the loan beneficiary. The definition of SMEs follows that of the European Commission, a company with:</p> <ul style="list-style-type: none"> less than 250 employees and; a turnover lower than EUR 50,000,000 or a balance sheet lower than 43 million EUR.

¹ A program is also available exclusively to passenger and cargo airlines, businesses critical to airline operations, and businesses important to national security.

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		<ul style="list-style-type: none"> be UK based have an annual turnover of over £45,000,000; have a borrowing proposal which the lender: a) would consider viable, were if not for the COVID-19 pandemic; b) believes will enable the business to trade out of any short-term to medium-term difficulty. not have received a facility under the CCFF. 	<ul style="list-style-type: none"> Based in Germany. For KfW Entrepreneur Loan- Based in Germany For KfW "Direct participation in syndicated loans"- Intended use of funds in Germany. 		<ul style="list-style-type: none"> operate in specific sectors to be identified by a ministerial decree (still to be issued); have suffered a reduction in their revenues due to COVID-19. 		
Is financial assistance available even if assistance has already been obtained in other jurisdictions?	YES	YES	YES	YES	YES	YES	YES
In case the local entity has received financial assistance, does any restriction apply?	<p>YES</p> <p>Although restrictions vary across programs and may apply to the following activities:</p> <ul style="list-style-type: none"> restrictions on payment of dividends, 	NO	<p>YES</p> <p>The restrictions vary across the programs:</p> <ul style="list-style-type: none"> KfW Entrepreneur Loans can be combined with other KfW loans, excluding loans 	<p>YES</p> <p>Restrictions on payment of dividends, distributions and share buyback for companies or group companies (all the</p>	<p>YES</p> <p>Restrictions on payment of dividends, distributions and share buyback.</p>	<p>NO</p> <p>The regulations do not provide for specific corporate restrictions.</p> <ul style="list-style-type: none"> Financing banks may require that 	<p>YES</p> <p>Restrictions on payment of dividends, distributions and share buyback.</p>

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	<p>distributions and share buy back;</p> <ul style="list-style-type: none"> reducing / restructuring the workforce; paying compensation to top managers. 		<p>designed to help companies cope with the COVID-19 crisis.</p> <ul style="list-style-type: none"> Stabilisation support under ESF are available if no other funding is available to the company. Additional restrictions on KfW “Direct participation in syndicated loans” with respect to combination with certain subordinated loans and simultaneous investment of the KfW as a syndicate member and as a refiner. 	<p>French group members) having more than 5,000 employees and a consolidated turnover of more than 1.5 billion euros in France for the last financial year.</p> <ul style="list-style-type: none"> Ministry of Economy may directly impose additional ad hoc restrictions to larger companies. 		<p>limitations are provided in the financing documents.</p>	

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