

# COVID-19 Emergency Business support actions in Italy

## Q&A



Covid-19 task force\*

The following Q&A are based on the recent developments of the COVID-19 emergency and the regulations implemented in Italy in this respect.

### Art. 13 Central SME Guarantee Fund

**Q.: I am the owner of a small / medium-size enterprise (SME) can I access the Central SME Guarantee Fund to guarantee my financing?**

Yes, the Central SME Guarantee Fund (or "Fund") is an instrument set up by the State to allow SMEs' access to finance through a public guarantee on money granted by banks.

**Q.: What are the characteristics of the Fund guarantee?**

The guarantee is granted free of charge. The maximum amount guaranteed is Euro 5 million, against requests for funding which must not exceed (i) twice the beneficiary's cost of personnel in 2019 (ii) 25% of the beneficiary's total turnover in 2019 (iii) the need for working capital and investment costs in the following 12/18 months as certified by a self-certification of the owner of the enterprise.

**Q.: I am the owner of a SME which received financing assisted by the Fund: can I refinance it?**

Yes, the Fund applies to the rescheduling of the beneficiary's debt, provided that the new loan is granted to the same entity and the additional credit is at least 10% higher than the outstanding debt under the rescheduled loan.

**Q.: What are the size requirements for SME in order to access the guarantee of the Fund**

Enterprises with less than 500 employees are eligible for the guarantee.

**Q.: Is it possible for a company admitted to composition agreements with creditors to avoid bankruptcy, to be admitted to the guarantee of the Fund?**

The guarantee may be granted provided that (i) the company's exposure cannot be classified as non performing under banking regulations; (ii) there are no amounts due in arrears; (iii) there is reasonable certainty that the exposure will be repaid when due.

**Q.: How do I access the guarantee from the Fund?**

You must apply for it when applying to the bank for the loan. In the event that the anti-mafia documentation is not available immediately, the guarantee may be granted under a condition subsequent. In the event that the anti-mafia documentation subsequently provided reveals the presence of a disqualification case, the guarantee will be revoked.

**Q.: I am an entrepreneur in the tourist-hotel industry and I would like to ask for financing for a real estate investment in my sector: is there any provision that applies to me?**

Yes, if the financing has a minimum duration of 10 years and is for an amount higher than 500,000 Euros the guarantee of the Fund can be cumulated with other guarantees.

**Q.: I am an entrepreneur in the agricultural sector - do the benefits provided by the Liquidity Decree apply to me?**

Yes, the provisions laid down for the extension of the Fund apply, as compatible, to guarantees given by ISMEA (Istituto di Servizi per il Mercato Agricolo Alimentare) against medium and long-term bank loans in favor of agricultural and fisheries enterprises.

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