

CORONAVIRUS – SET UP OF A SPECIAL ANTI-CRISIS FINANCING BY THE STATE INVESTMENT BANK (SNCI)

The SNCI, the public-law banking institution specialized in medium and long term financing of Luxembourg businesses, has put in place measures to support companies during the COVID-19 crisis for a maximum total amount of EUR 400 million.

SPECIAL ANTI-CRISIS FINANCING

Eligible entities

The Special Anti-Crisis Financing is aimed at soundly managed SMEs and large companies holding a Luxembourg business license and which are structurally sound, but encountering temporary financial difficulties due to the current crisis, with a view to financing any exceptional needs that have arisen in light of the COVID-19 crisis.

Conditions and form of the aid

Applications for the Special Anti-Crisis Financing must be submitted to the SNCI via the applicant company's usual bank. The SNCI will finance up to 60% of the overall funding, on condition that the company's usual bank finances 40%. The amount funded by the SNCI may vary between EUR 12,500 and EUR 10 million.

The intermediary Bank is responsible for the analysis necessary to determine and verify these exceptional financing needs and the SNCI's funding is disbursed upon request of the beneficiaries' bank without any further formalities.

Duration

The duration of each loan, including the grace period, is fixed by mutual agreement between the Intermediary Bank and the SNCI. The maximum repayment period, including a possible grace period, may not exceed 5 years. The grace period for capital repayment may not exceed 2 years.

RELAXATION OF REIMBURSEMENT CONDITIONS OF EXISTING LOANS

As a reminder, it should be noted that the SNCI has previously decided to suspend the reimbursement of principal for the quarterly terms of 31 March and 30 June of all its outstanding direct and indirect loans is suspended. No special demand by the borrower is required.

Key issues

- Indirect financing between EUR 12,500 and EUR 10 million. via the client's usual bank
- Applies to SMEs and large enterprises encountering temporary financial difficulties
- Loan financed up to 60% by the SNCI and 40% by the bank

This briefing speaks as of 10 April 2020.

C L I F F O R D
C H A N C E

CORONAVIRUS – SET UP OF A SPECIAL
ANTI-CRISIS FINANCING BY THE STATE
INVESTMENT BANK (SNCI).

The duration of all loans benefitting from this moratorium is automatically prolonged for 6 months.

CONTACTS



Steve Jacoby
Partner

T +352 48 50 50 219
E steve.jacoby@cliffordchance.com



Christian Kremer
Partner

T +352 48 50 50 201
E christian.kremer@cliffordchance.com



Marc Mehlen
Partner

T +352 48 50 50 305
E marc.mehlen@cliffordchance.com



Martin Wurth
Partner

T +352 48 50 50 237
E martin.wurth@cliffordchance.com



Albert Moro
Partner

T +352 485 050 204
E albert.moro@cliffordchance.com



Katia Gauzès
Partner

T +352 48 50 50 205
E katia.gauzes@cliffordchance.com

This publication does not necessarily deal with every important topic or cover every aspect of the topics with which it deals. It is not designed to provide legal or other advice.

www.cliffordchance.com

Clifford Chance, 10 boulevard G.D. Charlotte, B.P. 1147, L-1011 Luxembourg, Grand-Duché de Luxembourg

© Clifford Chance 2020

Abu Dhabi • Amsterdam • Barcelona • Beijing • Brussels • Bucharest • Casablanca • Dubai • Düsseldorf • Frankfurt • Hong Kong • Istanbul • London • Luxembourg • Madrid • Milan • Moscow • Munich • Newcastle • New York • Paris • Perth • Prague • Rome • São Paulo • Seoul • Shanghai • Singapore • Sydney • Tokyo • Warsaw • Washington, D.C.

Clifford Chance has a co-operation agreement with Abuhimed Alsheikh Alhagbani Law Firm in Riyadh.

Clifford Chance has a best friends relationship with Redcliffe Partners in Ukraine.