

Slovak Investment Holding has launched new soft loans instrument regarding COVID-19 pandemics (loans for SMEs and large enterprises)

Thursday, 25. June 2020

The Slovak Government has launched through the Slovak Investment Holding, a.s. (SIH) another program of indirect financial aid for companies to bridge the period of limited access to capital, caused by the COVID-19 pandemic, in order to cope with financial difficulties and to maintain jobs.

The program consists of guarantees for financial institutions (i.e. banks certified to provide loans in the Slovak Republic), which will subsequently provide preferential bridging loans to enterprises operating in the Slovak Republic.

Unlike the first financial instrument „SIH Anti-Corona Guarantee 1“, also non-SMEs (large enterprises) are entitled.

In order to provide the preferential loans, banks must express their interest in joining the scheme no later than 10 July 2020.

The financial instrument will be funded from two resources: EU Funds (Operational Programme Integrated Infrastructure) in the amount of EUR 347 mil. and state financial assets in maximum amount of EUR 1.75 bn. Finances will be provided through the National Development Fund I., a.s. and the National Development Fund II., a.s..

Implementation of the financial program will be administered in compliance with the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak.

Eligible enterprises must meet the following conditions:

- are established and operate in Slovakia (including Bratislava region)
- do not belong to the highest or lowest credit risk rating category (according to the bank's internal rating)
- had not met the definition of an "undertaking in difficulty" by 31 December 2019
- were established or started to operate before 12 March 2020
- are not the subject of or do not meet the conditions for becoming the subject of collective insolvency (bankruptcy) proceedings
- do not operate in the following sectors: primary production of agricultural products, forestry, fishery and aquaculture
- are not a credit institution or any other entity subject to BRRD
- are not obliged by the European Commission to return the (previously granted) state aid
- are not convicted for the criminal offence connected to their business (fraud, corruption, etc.)
- there is no final decision imposing sanctions for the breach of the prohibition of illegal employment
- the social or health insurance company does not record any receivables that are past their 90 days due date.

Eligible credit purposes:

- investment costs
- operating costs (including taxes, customs and levy obligations) - the applicant is also entitled to finance unpaid operating costs that arose before the application for a loan (if they have become due in full or partly after 12 March 2020)

Conditions related to soft loans and bonuses:

- maximum loan amount: EUR 2,000,000

- maximum SIH coverage/guarantee per individual loan: 90%
- minimum maturity: 2 years including postponed payments
- maximum maturity: 6 years including postponed payments
- the repayment of principal and interest may be postponed for up to 12 months since the beginning of first drawdown of the loan
- maximum interest rate:
 - 3,9 % p.a. for micro enterprises
 - 1,9 % p.a. for other enterprises
- remission of the guarantee fee:
 - the enterprise maintains the average level of employment for a period of 12 months from the date of the first drawdown compared to the average number of employees in the 12 months preceding the drawdown; and
 - after 12 months from the drawdown of the loan, the company will not have overdue liabilities on social insurance, old-age pension savings and public health insurance

More information on the call along with the specific terms and annexes can be found on the [SIH website](#) [1].

Source URL: <https://www.sario.sk/en/news/slovak-investment-holding-has-launched-new-soft-loans-instrument-regarding-covid-19-pandemics>

Links

[1] <https://www.sih.sk/en/aktuality/sih-anti-corona-guarantee-2-the-next-programme-of-financial-assistance-for-slovak-businesses>