Measures taken by Member States to support SMEs (as of 24 March 2020, 14h)

- Most EU countries have by now taken some form of measures to protect businesses from the effects of the coronavirus crisis. The most **widely used measure is the deferral or reduction of tax and social security contributions**. At least 23 Member States have introduced some form of tax deferral or arranged for earlier repayments of tax refunds. The exact application of these measures varies. Most Member States offer the tax deferrals for all companies, although some schemes specifically target SMEs, self-employed people or companies that retain all their employees.
- Another widespread measure are **financial guarantees**. As of 24 March, at least 22 Member States have either started or announced new guarantee schemes to allow companies in financial difficulties to continue accessing finance. Some of these measures specifically target SMEs (e.g. Denmark, Austria), whereas others can be used by any company affected by the crisis.
- **Direct loans** are also common, with at least 15 countries setting up new loan schemes or working with banks to facilitate new loans, most of which are aimed at ensuring the cash flow of SMEs. However, reactions from SMEs show that repayable loans can be a difficult choice especially for the smallest enterprises, as they cannot currently predict their revenue for the rest of the year. A useful additional measure is therefore **postponing the repayment of loans**, which at least 11 countries have announced, some of them focusing on postponing repayment of existing loans and others giving out new loans with generous repayment terms.
- **Direct grants/ cash injections for micro businesses and self-employed are offered by at least 10 Member States. Often, the sum is related to the size (no. of employees). They cover typically the period of the next 1-3 months. The situation of gig-workers (uber drivers, etc.) is still an open issue in many countries.**
- Wage subsidies, in particular **subsidising the wages of employees working shorter hours**, are also in place in most Member States. At least 20 countries have applied them so far, and it is one of the most immediately popular measures among SMEs. In most countries where this opportunity exists, companies have already taken it up.
- From the perspective of SMEs, all these measures are welcome, but it is important that they are accessible through an **easy administrative process**. The Bavarian scheme of immediate aid of 5.000 to 30.000 euros to affected companies has been praised by SMEs for paying out the money first and checking eligibility later on. If loans, grants and guarantees require elaborate applications this could deter especially the smallest enterprises, who find themselves hardest hit.
- Some countries have also applied further administrative burden reductions, such as the suspension of penalties in public procurement contracts. While this is certainly welcome news for SMEs finding themselves unable to deliver contractual specifications on time, it does not specifically address issues of cash flow and liquidity.

Deferral of taxes/tax deductions (23 countries)

Austria, Belgium, Bulgaria, Croatia, Cyprus, Czechia, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Italy, Latvia, Luxembourg, Malta, Poland, Portugal, Romania, Spain, Sweden, Slovenia

Guarantees (22 countries):

Austria, Belgium, Bulgaria, Croatia, Denmark, Estonia, Finland, France, Germany, Ireland, Italy, Latvia, Lithuania, Luxembourg, Netherlands, Malta, Poland, Portugal, Romania, Spain, Slovenia, Sweden

Wage subsidies (20 countries)

Austria, Bulgaria, Belgium, Cyprus, Czechia, Denmark, Estonia, France, Germany, Ireland, Luxembourg, Latvia, Lithuania, Italy, Malta, Netherlands, Poland, Romania, Slovenia, Sweden

Direct loans (15 countries)

Croatia, Czechia, Estonia, France, Germany, Greece, Ireland, Italy, Latvia, Lithuania, Luxembourg, Portugal, Spain, Sweden, Slovenia

Postponement of loans (11 countries)

Belgium, Bulgaria, Croatia, Czechia, Denmark, France (renegotiation), Italy, Latvia, Malta, Romania, Slovenia

Direct grants/cash injections (10 countries)

Austria, Belgium, Czechia, Denmark, Finland, France, Germany, Ireland, Italy, Spain

Examples of some measures taken by only selected MS (so far):

<u>Setting up a found for direct equity participation by public authorities in affected businesses</u>. Variants of this measure were adopted in Germany and Spain with the objective to ensure that businesses of strategic importance for the overall economy are not subjects to hostile take-overs from foreign firms, also in view of decreased stock market values.

<u>Relaxing of extra-income limits for those employees on wage subsidy programmes</u>. This measure was adopted in Germany so that those workers forced to work shorter hours in their normal profession get a bigger incentive to take up work in a profession where their skills may particularly be needed during the crisis (e.g. in the health sector).

<u>Providing extra income support for medical staff</u>. This measure was adopted in Bulgaria with BGN 20mn (EUR 10mn) from the Operational programme 'Human Resource Development' and will be used to give a monthly bonus of BGN 1000 (EUR 500) to all medical staff dealing with coronavirus.

<u>Support for credit terms renegotiation</u>. This measure was adopted in France to put in place credit mediation to help SMEs wishing to renegotiate credit terms.