

## COVID-19: Financial Supports available to Irish Businesses

Businesses should always engage with their financial or other advisers and bank or financial institution in the first instance but should be aware that there are a range of other supports available to Irish businesses affected by Covid19 totalling €1 billion [updated as of 8 April], including:

**1. SBCI Credit Guarantee Scheme** – The Government has repurposed the Credit Guarantee Scheme (CGS) to provide counter-guarantees to the banks, mitigating credit risk or the need for collateral designed to assist small and medium sized enterprises (“SMEs”) by providing loans from €10,000 up to €1million for a term of up to 7 years. The Scheme is aimed at SMEs who are unable to access finance due to inadequate collateral. The government will provide counter-guarantees (currently 80%) to participating banks to mitigate the need for collateral on behalf of the SMEs. Funding to be made available via participating lenders (AIB, Bank of Ireland and Ulster Bank). <https://sbci.gov.ie/schemes/sme-credit-guarantee-scheme-cgs>

**2. SBCI COVID-19 - €450m** (increased from an initial €200m fund) Working Capital Loan Scheme – Available to finance future working capital requirements and to fund innovation, change or adaptation of the business to mitigate the impact of COVID-19. To be made available from participating lenders (AIB, Bank of Ireland and Ulster Bank). Offers SMEs and small midcap enterprises loan amounts between €25,000 and €1.5m (on an unsecured basis up to €500k) with a maximum interest rate of 4% for a term ranging from 1 to 3 years. It cannot be used for refinancing purposes. <https://sbci.gov.ie/schemes/>

**3. SBCI Future Growth Loan Scheme** – A further €200m funding has been announced for this scheme to provide longer term loans to firms that have been impacted by Covid-19. <https://sbci.gov.ie/schemes/>

**4. Microfinance Ireland** – legislative amendments have been introduced to the Microenterprise Loan Fund Scheme 2015 and increased funding of €13m to enable MFI offer to enable loans in excess of the existing €25,000 threshold (up to a maximum of €50k) to be provided for microenterprises where a minimum of 15% of actual or projected turnover or profit is negatively impacted by COVID-19 AND finance cannot be

obtained from other finance providers. The first 6 months of the loan term are made available interest and repayment free. Only available to small businesses (sole trader, partnership or limited companies) with less than 10 full time employees and annual turnover of up to €2m. <https://microfinanceireland.ie/>

**5. Enterprise Ireland** – a €180m Sustaining Enterprise Fund to help companies in the manufacturing and international services sectors that are vulnerable but viable. Now approved for state aid purposes by the European Commission it is open to firms employing 10 or more full time employees and will make available loans of up to €800,000. <https://www.enterprise-ireland.com/en/funding-supports/>

**6. EI Virtual Mentoring Support:** Offering practical advice, guidance and support, Enterprise Ireland’s Mentor Network has a panel of more than 400 highly experienced business people. These are entrepreneurs, founders and senior executives with international commercial business development experience. For further information email [Mentor.Network@Enterprise-Ireland.com](mailto:Mentor.Network@Enterprise-Ireland.com)

**7. Strategic Consultancy Grant** - a Business Financial Planning Grant of €5,000 to be made available by EI to help companies develop a business sustainment plan and engage approved financial consultants. <https://enterprise-ireland.com/en/funding-supports/>

**8. Business Process Improvement Grant** - a €2,500 Lean Business Improvement Grant from EI and IDA Ireland to help support short to medium term company projects that are designed to develop management capability and drive company efficiencies and business process improvements. Specific E-marketing support is available through a €2m Covid-19 Retail Online Scheme to be operated by EI for retailers that employ more than 10 staff to develop and enhance your company’s capability to use the internet as an effective channel for business development. <https://enterprise-ireland.com/en/>

**9. Finance in focus** – is a grant of up to €7,200 available to Enterprise Ireland and Údarás na Gaeltachta clients towards third party consultants’ fees to support financial business plans relating to funding needs and potential sources of funding.

<http://www.udaras.ie/en/nuacht/>

**10. Business Continuity Vouchers** – designed to support developing short-term and long-term strategies to respond to the COVID-19 pandemic by way of a voucher for up to €2,500 or businesses across every sector that employ up to 50 people and is available through Local Enterprise Offices. <https://www.localenterprise.ie/>

#### General Supports

**11. Commercial Rates** – All local authorities have agreed to defer all rate payments due from the most immediately impacted businesses - primarily in the retail, hospitality, leisure and childcare sectors, for three months, until end-May. This measure will be implemented by each local authority in its own area. <https://www.housing.gov.ie/>

**12. Revenue Assistance** – Revenue have advised that they are open to engagement with viable businesses experiencing temporary cash flow or trading difficulties that affect the timely payment of tax. Businesses, other than SMEs, who are experiencing temporary cash flow or trading difficulties should contact the Collector-General's office on (01) 7383663.

**13. COVID-19 Income Support Scheme** - will provide financial support to Irish workers and companies affected by the crisis. Employers must self-declare to Revenue that they have experienced significant negative economic disruption due to COVID-19, with a minimum of 25% decline in turnover, and an inability to pay normal wages and other outgoings, in accordance with guidance to be issued by Revenue. This scheme is open to impacted employers in all sectors. Revenue and the Department of Employment Affairs and Social Protection will provide details to employers today on how to apply. <https://revenue.ie/en/news/articles/>

**14. Liaising with your Bank** – Each of the banks have announced that they will openly liaise and support all customers during this unprecedented crisis. Various options are available, in particular payment breaks/loan repayment deferrals of up to 3 months and extensions of credit lines. Direct contact with your branch is advised.

If you have any questions regarding the terms of your loan agreements, the extent of your obligations, in terms of financial and other covenants and representations, or proposed restructuring proposals please contact our Banking and Finance Team or your usual Philip Lee contact so that we can provide practical advice to affected businesses in this very difficult time.



**Simon O'Neill**  
PARTNER

+353 (0) 1 237 3700

soneill@philiplee.ie



**Jonathan Kelly**  
PARTNER

+353 (0) 1 237 3700

jkelly@philiplee.ie



**Andreas McConnell**  
PARTNER

+353 (0) 1 237 3700

amcconnell@philiplee.ie