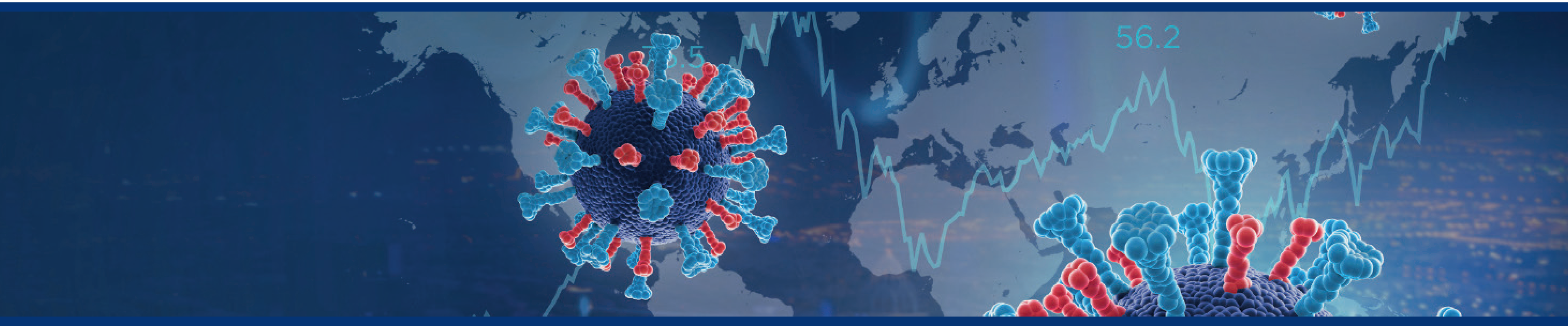
the global voice of the legal profession®

International Bar Association

IBA Banking Law Committee Survey

Covid-19 emergency measures relating to funding and claims recovery



IBA Banking Law Committee

December 2020

International Bar Association
4th Floor, 10 St Bride Street
London EC4A 4AD
T: +44 (0)20 7842 0090
F: +44 (2)20 7842 0091
editor@int-bar.org
www.ibanet.org

CONTENTS

Introduction **5**

Banking Law Committee **7**

Country chapters

1. Austria 9
2. Brazil 20
3. Canada 30
4. Chile 35
5. China 37
6. Denmark 40
7. Egypt 43
8. Finland 49
9. France 56
10. Germany 65
11. Ghana 68
12. India 71
13. Ireland 77

14.	Italy	81
15.	Japan	89
16.	Luxembourg	95
17.	The Netherlands	98
18.	Nigeria	103
19.	Peru	107
20.	Poland	110
21.	Russia	114
22.	Singapore	126
23.	South Africa	132
24.	Spain	140
25.	Sweden	150
26.	Switzerland	155
27.	Tunisia	160
28.	Turkey	163
29.	United Kingdom	168
30.	United States	173

Introduction

This survey provides a summary of key Covid-19 emergency measures affecting funding and claims recovery across 30 selected jurisdictions from Africa, the Americas, Asia and Europe.[1]

It is structured under a standard grid of questions around four themes:

- Emergency funding through state-guaranteed loans and sectorial support;
- relaxation of regulatory requirements for lenders;
- stay/rescheduling of statutory time periods and of contractual obligations;
- temporary changes to insolvency and work-outs frameworks.

Answers are generally up to date as of 15 September 2020 (completion date is mentioned alongside each contribution). They do not report any measures adopted in connection with the Covid-19 'second wave'. It is contemplated that this survey will be updated in the spring of 2021.

Key takeaways

All surveyed countries have implemented an array of emergency measures to protect private companies' operations as a going concern, and compensate companies and consumers in sectors affected by lockdown measures. Differences in scope and intensity reflect local economic factors, the health crisis timeframe, and the political and legal culture mix.

Covid-19 emergency schemes have been adopted and are implemented at national levels only (and often at state or province level in federalised countries). In European Union (EU) countries, funding measures have been cleared by the EU Commission under EU regulation on state aids.

In all cases, surveyed countries have put in place funding and guarantee schemes benefiting private companies. Many countries have also adopted specific mandatory legislation setting forth temporary freezes of statutory time periods and/or contractual remedies, as well as opening triggers of insolvency proceedings during the Covid-19 protected time periods. A large group of countries has not done so, or only done so in a very limited way, leaving those matters to the play of existing legal mechanisms or soft law recommendations.

1 Africa: Egypt, Ghana, Nigeria, South Africa, Tunisia
America: Brazil, Canada, Chile, Peru, United States
Asia: China, India, Japan, Singapore
Europe and Middle East: Austria, Denmark, Finland, France, Finland, Germany, Ireland, Italy, Luxembourg, the Netherlands, Poland, Russia, Spain, Sweden, Switzerland, Turkey, United Kingdom

Emergency funding takes the form of guaranteed loans by states, with guarantees ranging from 50 to 90 per cent of the loan, state-owned funds or funding by central banks or credit insurance companies. In a few cases, the guarantee can reach 100 per cent of the loan amount (India) or apply to debt instruments (Germany). Emergency funding also comprises specific programmes reserved for SMEs, export financing guarantees, guarantees to receivables factoring programmes and non-repayable grants, and other financial assistance to specific sectors having strategic importance in the domestic economy or severely affected by lockdown measures such as art, culture and aeronautic industries.

In the majority of surveyed countries, eligibility for emergency funding requires evidence that beneficiary was not in financial difficulty at the start of the health crisis, aiming to limit the risk of financially assisting zombie companies or creating windful opportunities; only a few jurisdictions have eligibility requirements for emergency funding taken into account green economy criteria;

While all programmes being funded at country level are generally reserved for companies participating in the economic activity of the country, the granularity of the territorial scope of those measures varies. Certain countries dedicate guaranteed funding to companies established in the country only; others also cover foreign borrowers having domestic operations. In no case have cross-border issues affecting conflicts among national schemes been reported. Nonetheless, such issues may appear in the case of international corporate groups benefiting from state-guaranteed loans at various group company levels in several jurisdictions in respect of priority rights, upstreaming revenues and cross guarantees.

Most surveyed countries have temporarily relaxed regulatory capital obligations applicable to banks to facilitate massive distribution of emergency guaranteed facilities by commercial banks. In EU countries, such includes collateral easing tools by the European Central Bank, and legislative and non-legislative moratoria on loan payments issued by the European Banking Authority (EBA).

Temporarily freezes of statutory time limits have been adopted in a substantial number of jurisdictions, as have freezes of contractual penalties/remedies. However, in several cases, these are subject to first application of contract law mechanisms.

Measures freezing insolvency proceedings opening triggers (or at least temporarily removing the obligation to file for insolvency) tend to draw a general line between European countries, where statutory protective frameworks have been enacted in hard law, and countries from other regions in the World, which have not or only very lightly legislated on those matters.

We hope you will find this survey useful both as a source of reference in your financial operations and in academic studies. Please do not hesitate to promote it further and contact contributors for additional information you may need in a particular jurisdiction.

Jean-François Adelle
Partner, Jeantet AARPI, Paris
IBA Banking Law Committee Vice-Chair (2020-21)
jfadelle@jeantet.fr

Klaus Löber
Head of Oversight, European Central Bank, Frankfurt
IBA Banking Law Committee Co-Chair (2021-22)
klaus.loeber@ecb.europa.eu

Banking Law Committee

The Banking Law Committee provides a worldwide forum for banking lawyers and other legal professionals within the banking community to address all sorts of practical and legal issues arising in commercial and regulatory activities in this context.

The Committee has held one of the IBA's most popular and well-established events, the International Financial Law Conference, every year since 1984.

Additionally, the Banking Law Committee works with the Capital Markets Forum, Insurance, Investment Funds and Securities Law committees to form the Financial Services Section.




1. Austria

Thomas Schirmer, Gottfried Gassner, Stephan Heckenthaler, Johannes Barbist, Binder Grösswang,
schirmer@bindergroesswang.at

Completion date: 02 October 2020

Emergency funding

State-guaranteed loans

Jurisdiction	Programme	Size of programme	Conditions of funding	Eligible borrowers	Terms of loans	Territorial scope/ cross-border issues
Austria[2]	Hardship fund (*Härtefallfonds*)	€2bn	Business must be affected by an economically significant threat from Covid-19: • No cover of running costs; • Officially ordered ban on access due to Covid-19; • Revenue recognition of at least 50 per cent compared to the comparative period of the previous year.	Types of eligible companies: • Single member entities (*Ein-Personen-Unternehmen*, EPU); • Freelance employees; • Micro-enterprises (as defined in Commission Recommendation 2003/361/EC, 06. May 2003). Operational conditions: ○ Self-employed operation of a business activity in its own name and on its own account or self-employment of a liberal profession; ○ Business activity in Austria; No 'undertakings in difficulty' (as defined in Commission Regulation 2014/651/EC, 17 June 2014). Excluded: ○ Non-profit organisations; ○ Companies regarding income from agriculture and forestry; ○ Companies regarding private room rental with maximum 10 beds; ○ Institutions of public law.	Non-refundable grants: • Phase 1: – Emergency aid – Grants in the amount of €500 to €1,000; • Phase 2 ○ Divided into nine review periods (16 March 2020–15 December 2020): ▪ Partial compensation for loss of net income from self-employment: minimum €500 to maximum €2.000 ▪ Comeback bonus: €500 lump sum. ○ Total/maximum: ▪ Grants only for six of the nine review periods ▪ Partial compensation for loss of net income from self-employment: €12,000 ▪ Comeback bonus: €3.000 ▪ Grants from phase 1 are credited Assessment basis: net loss of income based on income tax assessment. Tax exemption.	No receipt of cash payments/grants by municipali-ties in connection with Covid-19, except for funding through corona short work, corona family hardness compensation (*Corona-Familienhärteausgleich*. and federal guarantee.

2 The following overview refers to Austria-wide subsidies in connection with the Covid-19 crisis, which are not related to specific sectors such as agriculture, forestry and private room rentals. It is expressly pointed out that state aid to Austrian Airline AG, local support programs and supplements to federal subsidies are not the subject of the summary. Also excluded are benefits directly related to the preservation of jobs (short-time working) and new hires (new start bonus), as well as those provided by chambers of commerce.

Austria	Corona Assistance Fund (*Corona-Hilfsfonds* or CAF) by the Covid-19 Federal Financing Agency (*Covid-19 Finanzierungsagentur des Bundes GmbH* or COFAG).	€15bn	Business must be affected by an economically significant threat from Covid-19: • Liquidity problems as a result of access ban, travel restrictions or assembly restrictions; • Major loss of sales and threat to the business base. SMEs and large enterprises with their headquarters or a permanent establishment in Austria and significant operational activity in Austria. The applicant undertakes • to ensure that the remuneration of the owner of the company or of the company's executive bodies, employees and significant vicarious agents is not unreasonably high; • not to pay any bonuses for the current financial year to members of the board of directors or managing directors in excess of 50 per cent of the bonuses paid in the previous year.	SMEs and large enterprises	Working capital loans may be secured with a guarantee from the Republic of Austria amounting to: • 100 per cent (SMEs, loan amount ≤ €500,000) or • 90 per cent (SMEs and large enterprises, loan amount > €500,000) (federal guarantee). SMEs and large enterprises must comply with the conditions set out in the Ordinance of the Federal Ministry of Finance on Guidelines on Financial Measures, Federal Law Gazette II No. 143/2020, as amended.	SMEs and large enterprises with their headquarters or a permanent establishment in Austria and significant operational activity in Austria.

Austria	Bridging finance guarantees due to the coronavirus crisis for SMEs, administered by Austria Wirtschaftsservicegesellschaft mbH (AWS, Austrian promotional bank)	Funds from CAF	Enterprises: • with business activity in Austria; • which are not 'undertaking in difficulty' within the meaning of Sec 2 No 18 General Block Exemption Regulation (GBER); • Enterprises in the tourism and leisure industry with a funding need of more than €4.4m; • which have a economically sound business before the Covid-19 crisis. Excluded: financial and insurance sector; and institutions of public law.	Type of companies: • SMEs with: ○ less than 250 employees; maximum annual turnover of €50m or maximum balance sheet total of €43m; and large companies as shareholders with less than 25 per cent of the shares; • Self-employed persons, particularly in the liberal profession; • 'New self-employed'; • Enterprises active in the agricultural, fisheries and aquaculture sector. • Enterprises in the tourism and leisure industry with a funding need of more than €4.4m; • Large companies with a funding need less than €0.5m.	To be used for liquidity shortages caused by loss of sales as a result of the Covid-19 crisis and interim financing measures (eg, short-term adjustment of supply chains and customer relations). Funding provided for working capital financing (eg, purchases of goods, personnel costs). The guarantee can be used to secure up to: • 80 per cent of a bridging loan of up to €1.5m per SME (including affiliates). • 90 per cent of a bridging loan of up €27.7m (with additional requirements for loans with a maturity beyond 31 December 2020) per SME (including affiliates). • 100 per cent for a loan of up to €500,000 per SME (including affiliates). Maximum term/cap/tax exemption: • Maximum term for five years (extension option up to a maximum of another five years). • Maximum cap at €40m per group.	Enterprises with business activity in Austria.
Austria	Bridge Finance Guarantees for the tourism and leisure industry by the Federal Ministry of Agriculture, Regions and Tourism, administered by Österreichische Hotel- und Tourismusbank (ÖHT)	€1bn	SMEs: • in the tourism and leisure industry which are expecting a 15 per cent decline in sales compared to the same period of the previous year due to the coronavirus crisis; • member of the Austrian Chamber of Commerce (Wirtschaftskammer); • no 'undertaking in difficulty' within the meaning of Sec 2 No 18 GBER.	SMEs	Federal guarantee can be used to secure: • 100 per cent of a bridging loan of ≤ €500,000, maximum term of five years, interest rate cap commercial bank: three month-Euribor +75bps capped with 0 per cent p.a. within the first two years. • 90 per cent of a bridging loan of ≤ €4.4m, maximum term of five years, interest rate cap commercial bank: 1 per cent. • 80 per cent of a bridging loan of ≤ €500,000, maximum term of three years, guaranteed interest rate: 2 per cent. • 80 per cent of a bridging loan of €500,000 – €1.5m, maximum term of five years, guaranteed interest rate: 2 per cent.	SMEs which are members of the Austrian Chamber of Commerce.

Austria	Bridge Finance Guarantees for large companies, administered by Austrian Control Bank (Österreichische Kontrollbank, OeKB)	Funds from CAF	Large enterprises: • which are located and have their main operational business in Austria irrespective of whether they engage in export activities; • were not 'in difficulty' within the meaning of Sec 2 No 18 GBER on 31 December 2019.	Large enterprises: • Minimum 250 employees, or • Annual turnover of €50m, or balance sheet total of €43m, or • Large company as shareholder with minimum 25 per cent of the shares.	The guarantee can be used to secure up to 90 per cent from the loan. Maximum limit of the loan depends on the actual liquidity needs of the respective company (eg payments from operations, wages, salaries, rent, current loans, interest, taxes, levies) and is capped with: • twice the company's annual wage bill; or • 25 per cent of annual turnover (the highest amount is used as basis for the assessment); • on separate grounds: the amount needed to cover liquidity needs for the 12 months following the date on which the guaranteed financing is granted.	Large enterprises which are located and have their main operational business in Austria.

Austria	Fixed-cost subsidies	Funds from CAF	SMEs: • which are located and engaged in operational business in Austria (the fixed costs must be the result of operational business in Austria; eg rents, insurance premium, interest expenses, contractual payments obligations necessary for operations, licence fees, payments for electricity, gas and telecommunication); • taking reasonable measures to reduce fixed costs and maintain jobs in Austria; • with liquidity problems and a loss of revenue of at least 40 per cent in 2020 caused by Covid-19; • which take all reasonable measures to reduce fixed costs and to maintain jobs in Austria. • were economically sound before the Covid-19 crisis and not 'in difficulty' within the meaning of Sec 2 No 18 GBER on 31 December 2019. Excluded: financial and insurance sectors; institutions of public law; companies with more than 250 employees, which dismissed more than 3 per cent of employees instead of using short-time work; newly founded companies without revenues before 16. March 2020; companies receiving payments from the non-profit organisation support fund.	SMEs	General: • Non-repayable grants for up to three review periods between 16 March 2020 and 15 September 2020; • Amount of funding in dependence on the percentage loss of revenue between 16 March 2020 and 15 September 2020: ○ 75 per cent of the fixed costs with a loss of revenue of 80–100 per cent; ○ 50 per cent of the fixed costs with a loss of revenue of 60–80 per cent; ○ 25 per cent of the fixed costs with a loss of revenue of 40–60 per cent; and ○ Under certain conditions, the amount of the loss of revenue must be confirmed by a tax accountant, auditor or balance sheet accountant; • Minimum grants in dependence of the loss of revenue in amount of €500. Limit of the grants: • Grants of 75 per cent: €90m per company; • Grants of 50 per cent: €60m per company; • Grants of 25 per cent: €30m. Other: • A second phase of funding is planned. • No offsetting of payments from the hardship fund.	SMEs which are located and engaged in operational business in Austria. The fixed costs must be the result of operational business in Austria. Deduction for grants from municipali-ties in connection with Covid-19 crisis.

Austria	Funding for export companies by the Federal Ministry of Finance, administered by OeKB	€3bn	SMEs and large companies • which engage in export business activity which does not fall under the Federal Safety Control Act (Sicherheitskontrollgesetz) or the War Material Ordinance (Kriegsmaterialverordnung). • have at least 25 per cent value added in Austria. • were economically sound until the Covid-19 crisis. Regardless of whether the company is a customer of OeKB or a credit line is already exhausted. Excluded: business in the tourism and leisure industries.	SMEs and large companies.	**Type** Framework loan based on a bill guarantee. **Credit line** Large companies: a maximum of 10 per cent of export turnover in the previous year. SMEs: a maximum of 15 per cent of export turnover in the previous year. **Federal guarantee ratio** 50 per cent to 70 per cent of the loans. **Maximum limit per company group** €60m **Term** Two years (option for extension; no automatic extension) **Other** No evidence of financing needs (eg existing export receivables or orders) to be submitted. Granted loan must be used, otherwise OeKB may adjust credit line. Combined with limitation of profit distribution. Tax exemption.	SMEs and large companies with least 25 per cent value added in Austria.

Austria	Covid-19 investment premium for companies by the Federal Ministry for Digitalisation and Business Location, administrated by the AWS.	€1bn	Tangible/intangible investments in depreciable fixed assets that must be capitalise. Minimum investment volume of €5.000 excluding VAT. Maximum investment volume of €50m without VAT per company or group in the case of consolidated financial statements. Initial measures must be taken from 1 August 2020 at the earliest until 28 February 2021, eg: orders; purchases; contracts; deliveries; the start of services; down payments; payments; invoices; start of construction. Implementation period until 28 February 2022 (28 February 2024 in case of investment volume of more than €20m). Excluded: climate-damaging investments, eg in context with fossil fuels; own work capitalised; lease-financed investment; cost, that are not related to a business investment; mostly acquisition of (residential) buildings, building shares and land; cost from the purchase or takeover of a company and the acquisition of participations; financial assets; VAT.	All types of companies. Seat/place of business in Austria. Excluded: institutions of publics law; impending/ present insolvency proceedings; companies in which an offence has been committed against Austrian legislation.	Non-repayable grants; Funding amount: • 7 per cent of the acquisition costs of the eligible investments; • 14 per cent of the acquisition costs of the eligible investments in the fields of ecologisation, digitalisation, health/life science; Grants will be paid on completion of the investment and submission a statement of account, as well as a confirmation of an auditor, tax advisor or balance sheet accountant for grants amount of €12.000 upwards.	

Sectorial support plans					
Jurisdiction	**SMEs**	**Supply chains**	**Export credit**	**Specific industries**	**Other**
Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

Relaxation of regulatory requirements for lenders		
Jurisdiction	Austria	Maintaining the supply of credit for companies and households is the primary objective of banking supervision in Europe as well as Austria. EBA has therefore reiterated that regulatory scope should be used in the treatment of non-performing loans (NPLs). The Financial Market Authority (FMA) and OeNB both explicitly support these measures. FMA may extend certain time limits with regard to notification, publication or reporting obligations upon application or by ordinance. The ‘Guidelines on legislative and non-legislative moratoria on loan payments applied in the light of the Covid-19 crisis’ (‘EBA/GL/2020/02’) of EBA are fully applicable in Austria. FMA has announced that it will comply with the guidelines.

Stay/rescheduling of statutory time periods

Jurisdiction	Length of protected period	Scope (time bar, registration, unenforceability, inadmissibility, expiry, automatic discontinuance of action, enforcement, voidness, etc) and carve outs	Impact on insolvency and work-outs	Territorial scope/cross-border issues
Austria	**Civil law** 1. In legal proceedings, all procedural time limits whose event triggering the time limit falls within the period after 22 March 2020, as well as procedural time limits which have not yet expired by 22 March 2020, shall be suspended until the end of 30 April 2020. They shall begin to run again on 1 May 2020. 2. The period from 22 March 2020 until the end of 30 April 2020 shall not be included in the period in which an action or application has to be filed with or a statement has to be made in a court.	**Civil law** *Ad 1* • Suspension does not apply to proceedings in which the court decides on the legality of an upright deprivation of liberty under the ○ Austrian Hospitalisation Act (Unterbringungsgesetz); ○ Austrian Nursing Home Residence Act; (Heimaufenthaltsgesetz) ○ Austrian Tuberculosis Act (Tuberkulosegesetz); and ○ Austrian Epidemics Act (Epidemiegesetz 1950); as well as to performance periods. • The court may declare in a respective proceeding that a time limit shall not be suspended for the duration specified. In this case, it shall at the same time fix a new reasonable time limit. This order may not be appealed against. This may only be done if, after careful consideration of all circumstances, the continuation of the proceedings is urgently required to avert a danger to life and limb, security and freedom or to prevent a substantial and irreparable damage to a party to the proceeding, and if the public interest in preventing and combating the dissemination of Covid-19 and the protection of the maintenance of an orderly court operation do not outweigh the individual interests. • The statutory suspension expires at the end of 31 December 2020. *Ad 2* Expiry date: end of 31 December 2020.	**Civil law** *Ad 1* The statutory suspension is Not applicable in insolvency proceedings. Already interrupted periods start running again. *Ad 2* Applies also to insolvency proceedings.	**Civil law** *Ad 1* Applies to all legal proceedings in Austria. *Ad 2* Applies to all actions or applications which have to be filed with an Austrian court and all statements which have to be made in an Austrian court.
	Insolvency Between 1 March and 31 October 2020.	**Insolvency** Directors' duty to file for insolvency linked to over-indebtedness suspended (duty in case of illiquidity still in place). Period to file for insolvency has been extended to 120 days if insolvency is at least indirectly caused by Covid-19. Directors are (partly) relieved from liability regarding payments made during the company's over-indebtedness. Bridge loans may not be avoided if the bridge loan is granted in the period up to 31 October 2020 to finance Covid-19 short term work assistance. If companies are granted short-term (up to 120 days) loans from their shareholder in the period until 31 October 2020, such loans are not reclassified as equity, as may otherwise be the case with shareholder loans during a crisis.	**Insolvency** Preventing viable businesses from filing for insolvency, because of uncertainty related to Covid-19. Facilitation for going concern and funding of the business, very limited scope. Facilitation for the going concern and funding of the business.	**Insolvency** Austrian main and secondary proceedings according to EIR.

Stay/rescheduling of contractual obligations					
Jurisdiction	**Length of protected period**	**Scope (penalty payments, penal clauses, etc) and carve outs**	**Can be waived?**	**Combines with *force majeure*/frustration/ unforeseeability?**	**Territorial scope/cross-border issues**
Austria	**Consumer loan agreements** In the case of consumer loan agreements concluded before 15 March 2020, the lender's claims for repayment, interest or amortisation payments due between 1 April 2020 and 31 October 2020 shall be deferred for a period of seven months from the due date. If no amicable settlement is reached for the period after 31 October 2020, the contract period shall be extended by seven months. The respective due date of the contractual services shall be postponed by this period. **Interest for default and collection costs** If, in a contractual relationship entered into before 1 April 2020, the debtor does not pay or does not pay in full a payment due in the period from 1 April 2020 to 30 June 2020, the debtor must pay no more than the statutory interest (4 per cent) for the arrears, notwithstanding any contractual agreements to the contrary, and is not obliged to reimburse the costs of extrajudicial debt enforcement or recovery measures. **Insolvency** Between 1 April and 31 October 2020.	**Consumer loan agreements** Applies to consumer loan agreements. Captures not only consumers but also microenterprise […] if the loan agreement was concluded before 15 March 2020 and the company is unable to provide the services due to circumstances resulting from the Covid-19 pandemic or the company would not be able to provide the services without jeopardising the economic basis of its business operations. For the duration of the deferral, the borrower is not in default; during this period, therefore, no default interest is due. The lender should offer the consumer to discuss the possibility of an amicable settlement and about possible support measures. For this purpose, means of distance communication can also be used. The lender must provide the consumer with a copy of the contract which takes account of the agreed amendments to the contract. **Interest for default and collection costs** Expiry date is end of 30 June 2022. **Insolvency** A statutory moratorium applies for loan agreements (other forms of financing are not covered), which were entered into prior to 15 March 2020, for borrowers (only for consumers and microenterprises) who suffer loss of income as a result of Covid-19.	**Consumer loan agreements** The borrower has the right to continue to make its contractual payments during the mentioned period on the originally agreed due dates. If the borrower continues to make payments in accordance with the loan agreements, the deferral is deemed not to have been made. The contracting parties may make deviating agreements, in particular regarding possible partial payments, interest and repayment adjustments or debt rescheduling of payments. Cancellations by the lender due to default of payment or significant deterioration in the financial circumstances of the consumer or the microenterprise are excluded until the expiry of the deferment. This may not be deviated from at the expense of the consumer. **Interest for default and collection costs** Yes, can be waived. **Insolvency** Yes.	**Consumer loan agreements** The postponement of the due date of payments in loan agreements shall only apply if the consumer, due to the exceptional circumstances caused by the spread of the Covid-19 pandemic, has suffered a loss of income that makes it unreasonable to expect him to provide the service owed. The borrower can in particular not reasonably be expected to provide the service if his reasonable livelihood or the reasonable livelihood of his dependents is at risk. **Interest for default and collection costs** The limitation of interest for default and exclusion of collection costs only applies if a payment cannot be made or cannot be made in full because the debtor's economic capacity is significantly impaired as a result of the Covid-19 pandemic. **Insolvency** Borrower (consumer or microenterprise) has suffered a loss of income due to the exceptional circumstances caused by the Covid-19 pandemic, which makes it unreasonable for the borrower to continue the debt service.	**Consumer loan agreements** Applies to consumer loan agreements where Austrian law is the governing law. **Interest for default and collection costs** Applies to agreements where Austrian law is the governing law. **Insolvency** Not applicable.

Temporary changes to insolvency and work outs framework					
Jurisdiction	**Freeze of assessment of cessation of payments**	**Freeze/rescheduling of insolvency applications**	**Extension of time periods within insolvency proceedings (plan, etc)**	**Other**	**Impact on restructurings**
Austria	Not applicable.	Period to file for insolvency has been extended to 120 days if insolvency is at least indirectly caused by Covid-19.			Facilitation for the going concern, as assessment of application to government reimbursements, short-term work assistance or loans etc may take. in most cases. longer than the 60-day filing period.
		Duty to file regarding over-indebtness (*Überschuldung*) has been temporarily suspended if over-indebtedness occurs between 1 March and 31 October 2020. This period applies to opening proceedings due to over-indebtedness upon application of a creditor as well.			This exemption does not apply in case if illiquidity (*Zahlungsunfähigkeit*). The goal of the suspension to file is to prevent companies from filing for insolvency, which have a negative balance sheet due to the current crisis and are at the same time not in a position to provide for a valid forecast on their continued existence (*Fortbestehensprognose*) due to the current uncertainties. Very low numbers of insolvencies due to public support measures. Insolvency wave to be expected.
			Upon request or *ex officio* procedural deadlines may be extended up to 90 days by insolvency court.		Facilitation of the handling of insolvency proceedings.
Other issues					
Jurisdiction	**Regulatory relief measures taken at national level**				
Austria	See above				

2. Brazil

Thiago Vallandro Flores, Gustavo Junqueira and Rodrigo Murussi,
Dias Carneiro Advogados,
tvf@diascarneiro.com.br, gju@diascarneiro.com.br, rlm@diascarneiro.com.br.

Completion date: 15 September 2020

Emergency funding

State-guaranteed loans

Jurisdiction	Size of programme	Terms of guarantee	Eligible borrowers	Terms of loans	Territorial scope/ cross-border issues
Brazil	**Working Capital for the Preservation of Business (CGPE)** Estimated BRL 120bn. The credit line is funded through the concession of corporate income and payroll tax credits to the financial institutions.	To be negotiated by the financial institution with the borrower.	Companies with annual gross revenue of up to BRL 300m.	**Payment term** 36 months minimum term, with a six-month minimum grace period. **Interest rate** To be negotiated between borrowers and financial institutions. **Contracting deadline** Until 31 December 2020.	National/ Not applicable
Brazil	**Emergency Credit Access Program (PEAC)** BRL 20bn The programme provides guarantees to loans entered with private financial institutions.	80 per cent of the loan will be guaranteed by the federal government, while the remaining 20 per cent guaranteed by the borrower. The financial institution may request additional collateral from the borrower.	Companies with gross revenue between BRL 360,000 and BRL 300m.	**Payment term** 12–60 months, with a grace period of 6–12 months **Credit line** Companies may borrow from BRL 5,000 to BRL 10m **Interest rate** To be negotiated between the company and the financial institution, provided that the average rate of the financial agent's portfolio shall not exceed 1.2 per cent per month	National/ Not applicable

Brazil	**National Support Program for Micro and Small Businesses (Pronampe)** BRL 15.9bn	The lender may • apply for a guarantee with the Operations Guarantee Fund (FGO), a fund administered by Banco do Brasil SA, of up to 100 per cent of its amount; and/or • request a personal guarantee of up to 100 per cent of the loan amount (may increase to 150 per cent if the company has existed for less than a year)	Companies with gross revenue of up to BRL 4.8m	**Credit line** Credit of up to 30 per cent of the company's annual gross revenue, based on the 2019 financial year. For companies that have been operating for less than a year, the loan limit will be up to 50 per cent of its share capital or 30 per cent of its average monthly income, whichever one is higher **Annual interest rate** Maximum equal to the rate of the Special System of Settlement and Liquidation (Selic)3, plus 1.25 per cent **Payment term** 36 months **Restrictions** The company may not lay off any of its employees until the 60th day after it receives the last loan disbursement	National/ Not applicable
Brazil	**Caixa Econômica Federal (CEF) and Serviço Brasileiro de Apoio às Micro e Pequenas Empresas (SEBRAE) credit line** BRL 7.5bn	Loan will be fully guaranteed by SEBRAE.	Companies with gross revenue of up to BRL 4.8m without tax or judicial debt.	**MEI – individual microentrepreneurs** • maximum loan amount: BRL 12,500; • grace period: nine months; • amortisation: 24 months; and • interest rate: 1.59 per cent per month **ME – micro-companies** • maximum loan amount: BRL 75,000; • grace period: 12 months; • amortisation: 30 months; and • interest rate: 1.39 per cent per month **EPP – small companies** • maximum loan amount: BRL 125,000; • grace period: 12 months; • amortisation: 36 months; and • interest rate: 1.19 per cent per month	National/ Not applicable

3 Currently at 2 per cent per annum.

Brazil	**Emergency Financing Fund of the Northeast (FNE)** BRL 6bn	To be negotiated with the financial institutions authorised to utilise the Financing Constitutional Funds.	Companies in the west, northeast and north regions of Brazil.	**Credit line** Up to BRL 100,000 per beneficiary for working capital credit; and up to BRL 200,000 per beneficiary for investment credit **Annual interest rate** 2.5 per cent **Payment term** Working capital line: 24 months, with maximum grace period until 31 December 2020. Investment line: on average 12 years, with maximum grace period until 31 December 2020.	West, northeast and north regions of Brazil/Not applicable
Brazil	**Special Temporary Liquidity Line** BRL 650bn	Financial assets or securities with AA, A and B rating.	Financial institutions	**Credit line** Maximum loan amount calculated based on the guarantees and financial institution's capital adequacy ratio **Annual interest rate** System of Settlement and Liquidation (Selic), plus 0.60 per cent **Payment term** Between 30 and 359 days	National/Not applicable

Brazil	**Emergency Job Support Program (PESE)** BRL 40bn	To be negotiated with the financial institutions.	Companies with annual gross revenue between BRL 360,000 and 10bn.	**Credit line** Loan amount equal to four months of the company's full payroll, with the limitation of two minimum salary per employee **Annual interest rate** 3.75 per cent **Payment term** 36 months, with six months grace period **Restrictions** Borrower cannot lay off any employee without cause from the signing of the contract until 60 days after receiving the last instalment	National/Not applicable
Brazil	**South Recovery Program** BRL 1.3bn	To be negotiated with accredited banks.	SMEs	**Credit line** Up to BRL 1.5m **Interest rate** Monthly interest rate between 0.55 per cent to 1 per cent **Payment term** 48–60 months, with 18–24 months grace period.	States of Rio Grande do Sul, Santa Catarina and Paraná of Brazil/Not applicable

Sectorial support plans					
Jurisdiction	**SMEs***	**Supply chains**	**Export credit**	**Specific industries**	**Other**
Brazil	The Brazilian Development Bank (BNDES) increased the budget of its small business credit line by BRL 5bn. The credit line has the following main features: **Eligible borrowers** Companies with annual revenue of up to BRL 300m **Credit line** Credit limit of up to BRL 70m per year, per company **Interest rate** Composed of the sum of the financial cost (TFB4, TLP5 or Selic), BNDES rate (1.25 per cent per year) and the financial institution's rate (negotiated between the company and the financial institution) **Payment term** 12–60 months, with a grace period of up to 24 months. **Also see CGPE, PEAC, Pronampe, CEF and SEBRAE credit lines, Emergency FNE, Special Temporary Liquidity Line, Emergency Job Support Program (PESE) and South Recovery Program*	BNDES created a credit line to finance the supply chain of large companies with the following main features: **Eligible borrowers** companies with annual revenue of BRL 300m or more **Credit line** BNDES will provide up to BRL 2bn to large companies, called 'anchor companies', which will obtain the loan from BNDES and on-lend to its suppliers (smaller companies). Each loan must be between BRL 10m minimum and BRL 200m maximum **Interest rate** System of Settlement and Liquidation (Selic), plus a remuneration rate of 1.1 per cent per annum, plus a risk spread **Payment term** 60 months, with a grace period of up to 24 months.	The Central Bank of Brazil (BACEN) altered the regulation of forward exchange contracts that: • extended the maximum period between the signing and payment of forward exchange contracts for exports from 750 to 1,500 days; • established a single term of up to 1,500 days between the date of signing and of payment of an export transaction, also allowing the shipment to occur within such period; • these new conditions, subject to agreement between all parties, are only valid for foreign exchange contracts that are: (1) signed from 20 March 2020 onwards; (2) signed on an earlier date and in good standing as of 20 March 2020; and (3) extended the deadline for imports prepayment from 180 to 360 days, as well as those imports prepayment that have already been paid.	**Electrical power industry** The BNDES created an emergency financing line for the electrical power industry with the following main features: **Eligible borrowers** Electricity distribution companies **Credit line** The total volume provided will be of up to BRL 16.4bn; **Interest rate** Brazil's interbank interest rate (CDI6), plus 3.79 per cent per year **Payment term** Until 2025, with a grace period until July 2021 **Resources** 29 per cent of the funds will be provided by BNDES along with other public banks and 71 per cent by private banks. **Healthcare industry** BNDES created a financing line for businesses in the healthcare industry with the following main features: **Eligible borrowers** Companies, cooperatives and individual entrepreneurs with gross operating revenue of BRL 300m or more **Credit line** BNDES will provide up to half, BRL 1.5bn, and limited to the amount of BRL 200m for each economic group, while the rest of the line must be made available by commercial banks **Annual interest rate** Long-term rate (TLP) plus rate of 1.5 per cent, plus risk spread **Payment term** 24 months, with a grace period of up to 12 months. **Sugar and ethanol industry** BNDES created a credit line for the storage of ethanol in sugar and ethanol plants with the following main features.	

4 BNDES Fixed Rate, currently at: (1) up to 36 months 3.966479 per cent per annum; (2) from 36 to 60 months 6.052423 per cent per annum; (3) from 60 to 84 months 6.109704 per cent per annum; and (4) from 84 to 120 months 6.139097 per cent per annum.

5 Long-Term Rate currently is the sum of the Broad Consumer Price Index (IPCA) rate plus 1.53 per cent per annum.

6 Currently at 1.90 per cent per annum.

				Eligible borrowers Companies, cooperatives and individual entrepreneurs with gross operating revenue of BRL 300m or more. **Credit line** BNDES will provide in total BRL 1.5m and limited to BRL 200m for each economic group, while the rest of the line must be made available by commercial banks. **Annual interest rate** Long-term rate (TLP) plus rate of 1.5 per cent, plus risk spread. **Payment term** 24 months, with a grace period of up to 12 months. **Real estate** The Caixa Econômica Federal (CEF), Brazil's largest public bank, announced the following measures to facilitate the access to real estate credit by construction companies: ○ reduction of the minimum sales percentage from 30 per cent to 15 per cent for new projects ○ reduction in the prior construction requirement for new projects ○ possibility of allocating the resources resulting from the sale of housing units to the payment of monthly charges ○ advance disbursement of loan instalment for construction projects **Also see CEF's column on Stay/rescheduling of contractual obligations table* **Aviation industry** Federal Law No. 14,034, of August 5, 2020, implemented several emergency measures for the aviation industry, of which we highlight the following: ○ allows the fixed and variable payments of airport concession agreements signed with the Federal Government to be delayed until 18 December 2020 ○ Increases the refund term of cancelled flight tickets between 19 March 2020 and 31 December 2020 to 12 months. The consumer has the option to instead receive a credit of equal or larger amount of the cancelled ticket to buy any product/service of the airline within 18 months of cancellation	

Relaxation of regulatory requirements for lenders	
Jurisdiction	
Brazil	The Provisional Measure No. 992 allowed real estate properties to be used as collateral in more than one credit operation under the following conditions: (1) interest rates and terms of the new credit transaction must be the same or lower than those of the original credit operation; (2) the new credit operation must be entered into with the same fiduciary creditor of the original credit operation and (3) individuals may only enter into new credit operations for their own benefit or of their families, however this restriction does not apply to legal entities. The Constitutional Amendment Bill No. 106 and Circular BACEN No. 4,028 allowed Brazil's Central Bank (BACEN) to purchase and sell private assets and securities in the national secondary market. The assets and securities the Central Bank may purchase and sell must have the following characteristics: (1) rating equivalent to or superior than BB- from at least one of the following agencies: Moody's, Standard & Poor's and Fitch; (2) reference price published by a financial market entity accredit by BACEN; (3) issuance in book-entry form and deposited in a central depository authorised by BACEN or the Securities and Exchange Commission (CVM); (4) maturity term of 12 months or more; and (5) absence of subordination, conversion of shares, renegotiation or swap clauses and not subject to liens or encumbrances. The purchase also has the following concentration limits: (1) 7.5 per cent concentration per issuer, in relation to the total amount of private assets in BACEN's portfolio; and (2) 25 per cent concentration per series of assets, in relation to the total amount of said series in the market (this limit will be of 35 per cent if the assets were issued by micro companies and small and medium-sized enterprises (SMEs). The Circular BACEN No. 4,030 reduced the risk-weighted factor from 50 per cent to 30 per cent for Term Deposits with Special Guarantee – DPGE's exposure (a type of fixed income security mostly issued by small and medium-sized banks) for financial institutions associated with Brazil's deposit insurance fund (FGC) in order to provide liquidity for small and medium-sized financial institutions. The Circular BACEN No. 4,033 changed the reserve requirements for financial institutions and allowed the deduction of loans granted towards working capital financing and time deposits purchased from other financial institutions not belonging to the same conglomerate from its reserve requirements on savings deposits. The loans must (1) finance working capital of companies with annual revenue of up to BRL 50m and (2) have a minimum term of 365 days and a 180 days minimum grace period for principal repayment.7 The BACEN Resolution No. 4,819 allows financial institutions to release funds related to real estate financing after the filing of the guarantee with the competent Real Estate Registry, without the requirement of its effective registration. The relaxation is only applicable for real estate financing entered into up to 30 September 2020. Provisional Measure No. 958 exempts public financial institutions from complying with certain rules, such as requesting from their borrowers: (1) providing proof of payment of federal taxes, debt clearance certificate (CND), certificate of clearance from the Severance Funds (FGTS) and proof of electoral regularity; and (2) prior consultation with the Registry of Outstanding Credits of Federal Agencies and Entities (Cadin) for credit operations utilising public resources. The National Monetary Council (CMN) Resolution No. 4,805 allows financial institutions associated with the Credit Guarantee Fund (FGC) to raise funds through the issuance of Term Deposits with Special Guarantee – DPGE (a type of fixed income security mostly issued by small and medium-sized banks). The raised funds will be guaranteed by the FGC by up to BRL 400,000,000 for each institution per issuer. The Circular BACEN No. 4,006 determined that the credit operations contracted under the PESE will not be counted as exposure for financial institutions' capital adequacy ratio when calculating its risk-weighted assets and leverage ratio. The Circular BACEN No. 4,002 altered the regulation of forward exchange contracts that: (1) extended the maximum period between the signing and payment of forward exchange contracts for exports from 750 to 1,500 days; (2) established a single term of up to 1,500 days between the date of signing and of payment of an export transaction, also allowing the shipment to occur within such period; (3) these new conditions, subject to agreement between all parties, are only valid for foreign exchange contracts that are: (1) signed from 03.20.2020 onwards; and (2) signed on an earlier date and in good standing as of 03.20.2020; and (4) extended the deadline for imports prepayment from 180 to 360 days, as well as those imports prepayment that have already been paid. The Resolution Cofiex (Foreign Financing Commission) No. 2 facilitated the access to foreign financing from international organisations to public agencies. The main features are: (1) Cofiex will decide the approval of the financing within 10 days of the application; (2) simplification of the analysis criteria which, for the time being, will only be based on the Payment Capacity (Capag) and a technical analysis; (3) it will be possible to apply for more projects (that may mitigate the pandemic's effects) in already signed transactions; and (4) the new regulation will be in effect as long as the duration of the pandemic and are also valid for projects guaranteed by the federal government. Law No. 13,986, of 7 April 2020, brought several changes to the regulation of agribusiness, of which we highlight the following main features: (1) allowed rural property owners to submit their property to a rural segregated estate regime which may be used as collateral to different creditors for rural credits and securities; (2) created a type of credit utilising the rural segregated estate as collateral, (3) allowed various types of agribusiness securities to be issued with exchange rate fluctuation adjustment clause, (4) clarified possibility of transfer of rural land to foreign entities in the context of foreclosure of security liens thereon. Resolution CMN No. 4,803 allows financial institutions to reclassify the risk of credit operations that were renegotiated between 1 March 2020 and 30 September 2020 to the ratingthat it was classified on 29 February 2020. Credit operations with 15 days or more late payment on 29 February 2020 and with evidence that the debtor will not be able to comply with the renegotiated conditions cannot be reclassified. Circular BACEN 3,998 decreased the capital requirement for credit operations entered with companies with annual gross revenue between BRL 15,000,000 and BRL 300,000,000. The decrease is only applicable to new credit operations or restructured ones in favor of the borrower that were entered into between 1 April 2020 and 31 December 2020.

7 Alert de 26/06/2020

Stay/rescheduling of statutory time periods

Jurisdiction	Length of protected period	Scope (time bar, registration, unenforceability, inadmissibility, expiry, automatic discontinuance of action, enforcement, voidness, etc) and carve outs	Impact on insolvency and work outs	Territorial scope/cross-border issues
Brazil	From 12 June 2020 until 30 October 2020	Statute of limitations for all legal relationships under private law is tolled or suspended.	Not applicable	National/Not applicable

Stay/rescheduling of contractual obligations

Jurisdiction	Length of protected period	Scope (penalty payments, penal clauses, etc) and carve outs	Can be waived?	Combines with *force majeure*/frustration/ unforeseeability?	Territorial scope/cross-border issues
Brazil	12 months	Payment suspension of overdue instalments (90 days prior to 6 April 2020) and upcoming instalments until December 2020.	No, the lender cannot waive.	No	Only applicable for loans funded by the Financing Constitutional Funds/Not applicable
Brazil	1. Six months 2. Six months 3. 90 days 4. 90 days 5. Not applicable 6. 90 days	1. Payment suspension of instalments for already finished construction projects 2. Delay the start of construction 3. Payment suspension of instalments for projects under construction 4. Partial payment of instalments for non-delinquent borrowers or delinquent borrowers of up to two late payments 5. Rescheduling of construction schedule 6. Payment suspension of instalments	1. Yes, the lender can waive 2. Yes, the lender can waive 3. Yes, the lender can waive 4. Yes, the lender can waive 5. Yes, the lender can waive 6. Yes, the lender can waive	1. No 2. No 3. No 4. No 5. No	1–5. only applicable for real estate loans contracted with Caixa Econômica Federal Bank (CEF) 6. applicable for majority of personal and business loans contracted with (CEF) Caixa Econômica Federal Bank.
Brazil	Six months	Payment suspension for instalments	Yes, the lender can waive.	No	Only applicable for SME loans without fixed interest rates funded by the South Region Development Bank (BRDE)
Brazil	1. 6 months 2. 90 days 3. 6 months	1. Payment extension for overdue payments 90 days prior to 2 April 2020 and instalments due until September 2020 2. Renegotiation of payments overdue 90 days prior to 2 April 2020 and due until September 2020, adding the amount of the renegotiated payments to remaining instalments 3. Payment suspension of instalments and renegotiation of payments overdue 90 days prior to 16 March 2020 and due until September 2020	1. Yes, the lender can waive 2. Yes, the lender can waive 3. Yes, the lender can waive	1. No 2. No 3. No	1–2. Only applicable for agribusiness loans contracted with Northeast Bank of Brazil (BNB). 3. Automatically applicable for mini, micro and small business loans contracted with BNB, whereas loans with medium and large business is on a case-by-case basis.
Brazil	Six months	Suspension of principal and interest payment obligations for commercial and development credit operations.	Yes, the lender can waive.	No	Only applicable for credit operations entered into until February 2020 with Amazon Bank.

Brazil	Six months	Payment suspension for direct and indirect credit operations, the amount will be capitalised into the outstanding balance of the loan.	Yes, the lender can waive.	No	Only applicable for credit operations entered into with BNDES. Majority of BNDES' credit operations are eligible for such suspension.8/Not applicable.
Brazil **The following measures are included in Bill of Law n. 1,397/2020, the approval process of which is still underway at the Brazilian Congress, subject to debates and potential modifications until it eventually comes into force**	30 days (may be renewed for additional 90 days if the debtor files a judicial request).	Suspension of unilateral termination of agreements, suspension of enforcement of guarantees (mortgages, fiduciary or personal guarantees), suspension of any enforcement lawsuits concerning obligations overdue after 20 March 2020, as well as charging penalties of any kind and eviction decrees.	No (the judicial filing by the debtor to renew the length of protected period is not mandatory).	No	Generally applicable for Brazilian entities, except for those under a cooperative regime.

Temporary changes to insolvency and work outs framework

Jurisdiction	Freeze of assessment of cessation of payments	Freeze/rescheduling of insolvency applications	Extension of time periods within insolvency proceedings (plan, etc)	Other	Impact on restructurings
Brazil **The following measures are guidelines issued by the National Council of Justice (CNJ) which, although non-binding, tend to be followed by court judges**	consider the occurrence of *force majeure* or other unforeseeable circumstances arising from the pandemic before declaring the bankruptcy of companies under judicial recovery due to failure to comply with the recovery plan,	Not applicable	Extend the stay period when there is a need to postpone the General Creditors' Meetings (GMC) until the decision regarding the results of such GMC Authorise debtors to submit an amended recovery plan that evidences the relevant debtor suffered a decrease in their ability to meet obligations due to the pandemic,	Prioritise decisions regarding requests for withdrawal of court deposited amounts. Suspend holding in person of general creditors' meetings (GMC) and authorise online meetings, when necessary Evaluate with special caution the granting of urgent measures, eviction for non-payment or acts of attachment or sale of assets for non-performing obligations during the period of public calamity decreed due to the Covid-19 pandemic.	Not directly, even though may impact in case any restructuring plan may be challenged before Brazilian courts

8 Some examples of non-eligible loans are those subsidised by the National Treasury or entered into with state-owned companies or companies under insolvency or restructuring proceedings.

Brazil **The following measures are included in Bill of Law n. 1,397/2020, the approval process of which is still underway at the Brazilian congress, subject to debates and potential modifications until it eventually comes into force.**	General freezing for 30 days, which may be renewed for additional 90 days if the debtor files a judicial request Specific 120 days freeze for obligations undertaken in ratified judicial and extrajudicial restructuring plans	Bankruptcy requests frozen for 30 days, which may be renewed for additional 90 days if the debtor files a judicial request.	No	Financing agreements executed between 20 March 2020 and 31 December 2020, would not be subject to the effects of judicial or extrajudicial restructuring proceeding filed later, or under bankruptcy would be classified as priority. Debtors already under judicial or extrajudicial reorganisation may present a new plan including claims originated after the initial filing.	May impact ongoing restructuring proceedings and cases yet to be filed until 31 December 2020.

Other issues

Jurisdiction	**Regulatory relief measures taken at national level**				
Brazil	The National Monetary Council's (CMN) Resolution No. 4,797 and 4,820 prohibited the following actions in order to avoid the expenditure of funds that may be vital for maintaining credit during the Covid-19 pandemic and for the eventual absorption of future losses: ○ payment of interest on capital and dividends above the mandatory minimum established in the bylaws on 4 June 2020 or by law, when applicable; ○ repurchase of shares, which, however, may be authorised by the Brazilian Central Bank (BACEN), provided that the transaction is carried out through stock exchanges or an organised over-the-counter market, to remain in treasury and later sold, up to the limit of 5 per cent of the issued shares, which includes the shares accounted for in treasury at the moment that this resolution has entered into force ○ capital reduction ○ increase the wages of administrators ○ the advance payment of any of the previous items. The restrictions are in force until 31 December 2020 and the retained amounts cannot constitute a future obligation or be linked in any way to dividend payments in the future.	National Congress passed the Constitutional Amendment Bill No. 106 which eases fiscal, administrative and financial rules during the public calamity period arising from the pandemic. Some of its main features are: • establishes: (1) specific budget for expenditures to face the pandemic; (2) the creation of expenses without the current restrictions, exempting the executive branch from complying with the 'golden rule (regra de ouro)'; and (3) the simplification of the process for purchasing goods and hiring personnel; ○ authorises BACEN to: (1) buy and sell credit rights and private securities in the secondary market (See 'Relaxation of regulatory requirements for lenders'); (2) buy and sell National Treasury securities in the local and international secondary markets; and (3) prohibit financial institutions to undertake certain actions (See CMN Resolution No. 4,797 and 4,820).	Not applicable	Not applicable	Financial institutions may face difficulties and be hindered to perform certain restructuring structures due to the limitations provided in Resolution No. 4,797 and 4,820 of the CMN.

3. Canada

John Elias, Fasken, jelias@fasken.com,

Completion date: 29 October 2020

Please note that the scope of the summary below is limited to certain significant fiscal measures announced by the Canadian federal government on or before 27 August 2020 and certain additional fiscal measures announced by the Department of Finance Canada on 9 October 2020. Each of the provincial, territorial and municipal authorities in Canada have also implemented various fiscal measures in response to the Covid-19 crisis which are not included in the summary below.

Emergency funding					
Loans and Guarantees					
Measure	**Size of programme**	**Terms of guarantee**	**Eligible borrowers**	**Terms of loans**	**Territorial scope/cross-border issues**
Business Credit Availability Program (BCAP) **Business Development Bank of Canada (BDC) and Export Development Canada (EDC)**	$65bn in total. Support for mid-market businesses will include loans of up to $60m per company, and guarantees of up to $80m.	EDC is offering banks a guarantee on loans to ensure companies can access more cash. EDC is working with banks to issue new operating credit and cash flow term loans of up to $6.25m to small and medium-sized enterprises (SMEs). BDC is working with financial institutions to co-lend term loans to SMEs for up to $6.25m for their operational cash flow requirements. For mid-sized companies, EDC and BDC will work with private sector lenders to support access to capital for Canadian businesses in all sectors and regions.	SMEs and mid-sized companies with larger financial needs.	Varies depending on the financial institution and each borrower's circumstance.	Canada
Mid-Market Guarantee and Financing Program **EDC**		EDC will continue to work with Canadian financial institutions to guarantee 75 per cent of new operating credit and cash-flow loans, ranging in size from $16.75m to a maximum of $80m.	Companies who tend to have revenues of between $50m to $300m. These expanded guarantees are available to exporters, international investors and businesses that sell their products or services within Canada.		Canada

Mid-Market Financing Program **BDC**			BDC anticipates that qualifying companies will have annual revenues in excess of approximately $100m.	Commercial loans ranging between $12.5m and $60m to medium-sized businesses whose credit needs exceed what is already available through the Business Credit Availability Program and other measures.	Canada
Canada Emergency Commercial Rent Assistance (CECRA)	Forgivable loans to qualifying commercial property owners to cover 50 per cent of the monthly rent for eligible tenants from April to September 2020.	Not applicable	Impacted small business tenants are businesses who generate no more than $20m in gross annual revenues calculated on a consolidated basis who are paying less than $50,000 per month in rent and have experienced at least a 70 per cent drop in pre-Covid-19 revenues. This support is also available to non-profit and charitable organisations.	Forgivable loans to eligible commercial property owners to reduce the rent owed by their impacted small business tenants and/or meet operating expenses on commercial properties. Property owners must offer a minimum of a 75 per cent rent reduction for the months of April to September 2020.	Canada
Large Employer Emergency Financing Facility (LEEFF)	$60m and above for each loan.	Not applicable	Large Canadian employers who • have a significant impact on Canada’s economy, as demonstrated by (1) having significant operations in Canada or (2) supporting a significant workforce in Canada; • about $300m or more in annual revenues; and • require a minimum loan size of $60m. Large for-profit enterprises in all sectors, except for those in the financial sector, can apply for funding under LEEFF. Certain not-for-profit enterprises, such as airports, could also be eligible.	Interest-bearing term loan provided by way of two loan facilities: an unsecured facility equal to 80 per cent of the aggregate loan and a secured facility equal to 20 per cent of the aggregate loan amount. Minimum aggregate loan will be $60m. For the unsecured facility, interest rate cumulative at 5 per cent per annum payable quarterly in arrears. The interest rate will increase to 8 per cent per annum on the one-year anniversary and will increase by a further two per cent per annum each year thereafter. Interest may be paid in-kind for the first two years of the loan. The term of the unsecured facility will be five years. The term and interest rate of the secured loan facility will match that of the borrower’s existing secured debt.	Canada

Sectorial support plans

Jurisdiction	SMEs	Supply chains	Export credit	Specific industries	Other
Canada	**Canada emergency business account** $4,000 original loan that is interest-free for the first year. Repaying the balance of the original loan on or before 31 December 2022, will result in loan forgiveness of 25 per cent (up to $10,000). Access to an additional interest free loan of up to $20,000, half of this additional refinancing would be forgivable if repaid by 31 December 2022. **New SME loan and guarantee program** Supported through EDC and the BDC, the program will provide loans of up to $12.5m to an eligible SME and enable up to $40bn in lending. **BDC support entrepreneurs** Working capital loans of up to $2m with flexible repayment terms such as principal postponements for qualifying businesses. Reduced rates on new eligible loans. Flexible repayment terms, such as postponement of principal payments for up to six months, for existing BDC clients with total BDC loan commitment of $1m or less. **Entrepreneurs, innovators and pre-revenue firms** Support ongoing lending to young entrepreneurs aged 18-39 by injecting $20.1m through Futurpreneur Canada. Support to innovative firms by investing $250m through the Industrial Research Assistance Program. **Support through Canada's Regional Development Agencies (RDAs)** $675m investment will enable the RDAs to provide equivalent bridge financing support to businesses unable to access the government's broader support measures. **Canada emergency rent subsidy** Rent and mortgage support until June 2021 provided directly to tenants to support businesses, charities, and non-profits that have suffered a revenue drop, by subsidising a percentage of their expenses, on a sliding scale, up to a maximum of 65 per cent of eligible expenses until 19 December 2020. A top-up Canada emergency rent subsidy of 25 per cent for organisations temporarily shut down by a mandatory public health order issued by a qualifying public health authority, in addition to the 65 per cent subsidy.			**Loans to agricultural industry** Farm Credit Canada received an enhancement to its capital base that will allow for an additional $5bn in lending capacity, and placed the following measures in place: ○ deferral of principal and interest payments up to six months for existing loans; or deferral of principal payments up to 12 months; and ○ access to an additional credit line up to $500,000, secured by general security agreements or universal movable hypothec. **Regional Relief and Recovery Fund (RRRF)** $1.5bn provided to help more businesses and organisations in sectors such as manufacturing, technology, tourism and others that are key to the regions and to local economies. **Emissions reduction fund for oil and gas industry** $750m is being allocated to Natural Resources Canada over two years to create a new repayable loan program to reduce greenhouse gas emissions. A portion of the loans will be convertible to grants. **Orphan/inactive well fund** $1.7bn will be used to accelerate cleanup of orphaned and inactive oil and gas wells in Alberta, Saskatchewan and British Columbia which do not have sufficient funding for proper decommissioning. **New Covid-19 emergency support fund for cultural, heritage and sport organisations** $500m will be provided to help address the financial needs of affected organisations within the Canadian cultural, heritage and sport sectors, and will be administered by Canadian Heritage via contribution agreements.	**Canada emergency wage subsidy** Payments to employers to subsidise employee payroll for the period of 15 March 2020 to June 2021. Eligible employers include corporations, not-for profits, partnerships and labour organisations, subject to meeting stipulated criteria. Amount is determined based on the amount of revenue reduction compared to previous periods with a maximum limit per employee. **10 per cent temporary wage subsidy** Up to 10 per cent of eligible remuneration paid to eligible employees from 18 March to 19 June 2020, up to a maximum subsidy of $1,375 per employee and $25,000 per employer. Canadian-controlled private corporations, not-for profits, registered charities and certain partnerships are eligible.

Relaxation of regulatory requirements for lenders

Canada	**Lowering the domestic stability buffer of risk-weighted assets** The Office of the Superintendent of Financial Institutions lowered the domestic stability buffer by 1.25 per cent to allow Canada's large banks to inject $300bn of additional lending into the economy. **Enhanced term repo operations and Standing Liquidity Facility** The interventions of the Bank of Canada (BOC) include enhancing their standard liquidity tools such as term repo operations and the Standing Liquidity Facility to provide ready access to funding to individual financial institutions. The BOC has lengthened the term over which it lends money to banks, widened the collateral it accepts to provide lending, and expanded the list of eligible institutions that can access its lending. **New Standing Term Liquidity Facility** The BOC has established a new Standing Term Liquidity Facility (STLF) to help banks better manage their liquidity risks and continue to provide their customers with access to credit. To access the STLF, financial institutions can pledge a broader set of collateral, including mortgages, which significantly increases their funding capacity.

Stay/rescheduling of statutory time periods

Jurisdiction	Length of protected period	Scope (time bar, registration, unenforceability, inadmissibility, expiry, automatic discontinuance of action, enforcement, voidness, etc) and carve outs	Impact on insolvency and work outs	Territorial scope/cross-border issues

Stay/rescheduling of contractual obligations

Jurisdiction	Length of protected period	Scope (penalty payments, penal clauses, etc) and carve outs	Can be waived?	Combines with force majeure/ frustration/unforeseeability?	Territorial scope/cross-border issues

Temporary changes to insolvency and work outs framework

Jurisdiction	Freeze of assessment of cessation of payments	Freeze/rescheduling of insolvency applications	Extension of time periods within insolvency proceedings (plan, etc)	Other	Impact on restructurings

Other issues

Jurisdiction	Regulatory relief measures taken at national level
Canada	**Extended deadline for payment of corporate income taxes** Payments extended to September 30, 2020 without any penalties and interest. **Bank of Canada actions** The Bank of Canada has responded by lowering interest rates to 0.25 per cent, intervening to support key financial markets and providing liquidity support for financial institutions. **Access to credit** Financial institutions use Canada Mortgage Bonds (CMBs) to finance their mortgage lending to Canadian homeowners. The Government of Canada supports the CMBs market by purchasing CMBs in the secondary market as required. **Launch of an Insured Mortgage Purchase Program** The Government of Canada launched an Insured Mortgage Purchase Program, in which it will purchase up to $50bn of insured mortgage pools through the Canada Mortgage and Housing Corporation.

4. Chile

Matthias Langevin, Honorato Delaveau, mlangevin@hdycia.cl,

Completion date: 5 October 2020

Emergency funding

State-guaranteed loans

Jurisdiction	Size of programme	Terms of guarantee	Eligible borrowers	Terms of loans	Territorial scope/ cross-border issues
Chile	US$24bn	Banking loans with Chilean state guarantee upon default with coverage of 85 per cent.	Small, medium and large companies • with annual sales up to US$38m; and • not in bankruptcy process.	For working capital interest rate of 3.5 per cent; 24 and 48-month terms; six-month grace period.	Chile

Sectorial support plans

Jurisdiction	SMEs	Supply chains	Export credit	Specific industries	Oher
Chile	See above.	No	No	No	Not applicable

Relaxation of regulatory requirements for lenders

Jurisdiction	
Chile	Measures adopted by Chilean banking regulators (Comisión para el Mercado Financiero (CMF) and Central Bank): • Financial coverage due to postponed instalments: the postponed banking mortgage loans instalments (up to a maximum of three instalments) will not be considered renegotiations for purposes of establishing financial coverage (provisiones). • Financial coverage due to consumer loans extensions: the banks can extend the maturity date of the consumer loans granted to SMEs and individuals for up to six months, without such extension being considered as a renegotiation for purposes of establishing financial coverage. • Mortgage guarantee surpluses: new regulations which will allow these surpluses to be used to secure loans granted to SMEs. • Assets received in payment: An 18-month extension is authorised in the term that banks have to transfer assets received in payment (generally 12 months). • Derivatives variation margin: The CMF provided an amendment to the regulation on the cash amount that banks must collateralise for the derivatives variation margin that are netted on a bilateral basis, permitting to compensate the derivative amount with the collateralised amount in favour of the relevant counterparty. • Transitory reduction to 0 per cent of stamp tax rate for credit operations held between April and September 2020. • Postponement of the application of the rules needed for the Chilean banking sector to be able to reach the Basel III standards introduced by the modifications to the General Law of Banks. • Central Bank Credit Facility conditioned to the increase in placements (FCIC). This is a special financial facility for banking companies, with resources and incentives for them to continue to fund and refinance private loans and corporate loans, especially for those who do not have access to the capital market. • Central Bank: temporary suspension of the fulfilment of the timeframe mismatch capital requirements for financial institutions.

Stay/rescheduling of statutory time periods

Jurisdiction	Length of protected period	Scope (time bar, registration, unenforceability, inadmissibility, expiry, automatic discontinuance of action, enforcement, voidness, etc) and carve outs	Impact on insolvency and work outs	Territorial scope/cross-border issues
Chile	No	No	No	Chile

Stay/rescheduling of contractual obligations

Jurisdiction	Length of protected period	Scope (penalty payments, penal clauses, etc) and carve outs	Can be waived?	Combines with *force majeure*/frustration/ unforeseeability?	Territorial scope/ cross-border issues
Chile	Not applicable	Not applicable	Not applicable	Not applicable	Chile

Temporary changes to insolvency and work outs framework

Jurisdiction	**Freeze of assessment of cessation of payments**	**Freeze/rescheduling of insolvency applications**	**Extension of time periods within insolvency proceedings (plan, etc)**	**Other**	**Impact on restructurings**
Chile	No	No	No	No	No

Other issues

Jurisdiction	**Regulatory relief measures taken at national level**				
Chile	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

5. China

Dali Liu, JunHe, liudl@junhe.com

Completion date: 8 September 2020

Emergency funding					
State-guaranteed loans					
Jurisdiction	**Size of programme**	**Terms of guarantee**	**Eligible borrowers**	**Terms of loans**	**Territorial scope/ cross-border issues**
People's Republic of China (PRC)	RMB 300bn, launched on 31 January 2020.	The loan is provided by the PRC central bank (ie People's Bank of China) directly to local banks for further lending to some manufacturing companies producing important medical and living materials. There is no guarantee term.	Direct borrowers are local banks in different provinces and cities. The ultimate borrowers are manufacturing companies producing important medical and living materials.	No public information	Within the PRC (excluding Hong Kong, Macau and Taiwan)
Sectorial support plans					
Jurisdiction	**SMEs**	**Supply chains**	**Export credit**	**Specific industries**	**Other**
PRC	The China Banking and Insurance Regulatory Commission (CBIRC), PBOC, National Development and Reform Commission (NDRC), Ministry of Industry and Information Technology (MITT) and Ministry of Finance issued a notice on 1 March 2020 that, since 12 January 2020, the financial institutions shall grant a temporary loan extension arrangement to SMEs which were affected by Covid-19, by way of loan extension or refinancing, with the extended maturity date not beyond 30 June 2020. On 1 June 2020, another notice was issued by the above five departments, saying some eligible SMEs may further request to extend their loans (due and payable in second half of 2020) not beyond 31 March 2021.	MIIT issued a notice on 24 February 2020 which encourages the provision of financing to SMEs by way of supply chain financing, factoring, receivables pledge financing, etc. Ministry of Commerce and other seven PRC departments on 10 April issued another notice specifically relating to the supply chain, which requires financial institutions to strengthen their cooperation with core companies in the supply chain and support these core companies by way of supply chain financing, so that SMEs can benefit from cash received from these core companies. PBOC and other seven PRC departments issued a notice on 1 June 2020 which encourages to finance for SMEs by way of providing supply chain financing services, including products like receivables financing (aiming at RMB 800bn by end of 2020), inventory financing, etc.	No major policies were found but each different province announced many local measures to support local companies' export, eg coordinating export credit insurance companies and local companies to further cooperate and extend the coverage of export credit insurance		
Relaxation of regulatory requirements for lenders					
Jurisdiction					

Stay/rescheduling of statutory time periods

Jurisdiction	Length of protected period	Scope (time bar, registration, unenforceability, inadmissibility, expiry, automatic discontinuance of action, enforcement, voidness, etc) and carve outs	Impact on insolvency and work outs	Territorial scope/cross-border issues
PRC	Not applicable	Not applicable	Not applicable	Not applicable

Stay/rescheduling of contractual obligations

Jurisdiction	Length of protected period	Scope (penalty payments, penal clauses, etc) and carve outs	Can be waived?	Combines with force majeure/ frustration/unforeseeability?	Territorial scope/cross-border issues
PRC	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

Temporary changes to insolvency and work outs framework

Jurisdiction	Freeze of assessment of cessation of payments	Freeze/rescheduling of insolvency applications	Extension of time periods within insolvency proceedings (plan, etc)	Other	Impact on restructurings
PRC	No specific policies have been implemented, but according to the guidelines issued by the PRC Supreme Court in respect of those obligors which become insolvent due to Covid-19, the local court needs to provide guidance to the obligors and the creditors and try to let them find other solutions to make the obligors still live, eg instalment payments, extension, debt restructure, rescheduling, etc.	See left column	For restructuring under the administration of PRC courts, the restructuring plan can be postponed t (no more than six months) For creditors' credit filing, if they cannot file at the statutory time, they may supplement the filing within 10 days once the fact preventing them from filing disappears.		

Other issues

Jurisdiction	Regulatory relief measures taken at national level				
PRC	During the Covid-19 period, the government issued many temporary measures to help local companies and economy. Given the good control and work of PRC governments during the Covid-19 period, the impact of Covid-19 on China is now limited. PRC governments have launched a lot of other major measures to boost its economy, including: 1.Continuing to open the domestic market and introducing foreign investors in various sectors, including the financial sector. Some foreign investors have set up their wholly owned securities companies and fund management companies in China. 2.The bond market has been further opened to foreign investors, including Panda Bond, and some foreign investment banks now can underwrite local government bonds. 3.Capital markets have been further opened, and foreign investors' strategy investment has been encouraged. In the meantime, China has revised its Securities Law and adopted an registration (not approval) mechanism in its IPO process, so Science and Technology Innovation Board and Growth Enterprise Market are booming in China. 4.The non-performing assets industry is also opening to foreign investors. Some big players like Oaktree Capital have set up a wholly owned subsidiary in China and are applying for license to become an asset management company, which is able to purchase non-performing loans from PRC banks. 5.NDRC and the China Securities Regulatory Commission are also prompting Reits in the infrastructure industry.				

6. Denmark

Michael Steen Jensen, Gorrissen Federspiel, msj@gorrissenfederspiel.com

Completion date: 15 September 2020

Emergency funding					
State-guaranteed loans					
Jurisdiction	**Size of programme**	**Terms of guarantee**	**Eligible borrowers**	**Terms of loans**	**Territorial scope/cross-border issues**
Denmark	DKK 25bn	The state guarantees for 70 percent of new loans provided by banks	SMEs which: • Have under 250 employees • A revenue of maximum €50m and or a balance of maximum €43m EUR. Large companies which have suffered a 30 per cent or higher loss in revenue in a period of minimum 14 days from 1 March 2020. A loan provided to large companies cannot exceed: • The lost revenue or • The company's need for liquidity in the coming 18 months, or the double of the company's yearly salary expenses, or 25 per cent of the revenue in 2019.	The guarantee covers 70 per cent of the loan's principal amount. Respite does not affect the value of the guarantee. The foundation commission is DKK 2,500 Once a year a risk premium must be paid by the borrower equivalent to 1 per cent of the remaining amount under the guarantee. The guarantee cannot be utilised to refinance or pay off on existing debt. The lender cannot require any other security than the guarantee. The lender can transfer the loan to a new lender if the guarantor accepts.	The guarantee is only provided to companies registered in Denmark.

Sectorial support plans

Jurisdiction	SMEs	Supply chains	Export credit	Specific industries	Other
Denmark	There has been a compensation scheme in place for self-employed, freelancers and similar with no more than 25 full time employed people.	Not applicable	Not applicable	There has been a compensation scheme for planned events which have been impossible to carry out. The requirements for the events to be eligible for compensation is that: • It was planned for more than 350 participants • It was planned to take place between 6 March and 31 August 2020, • It was open for public participation (everyone should be able to buy a ticket). The event could be compensated with an amount equal to the deficit of the event and a compensation.	Not applicable

Relaxation of regulatory requirements for lenders

Jurisdiction	
Denmark	None

Stay/rescheduling of statutory time periods

Jurisdiction	Length of protected period	Scope (time bar, registration, unenforceability, inadmissibility, expiry, automatic discontinuance of action, enforcement, voidness, etc) and carve outs	Impact on insolvency and work outs	Territorial scope/cross-border issues
Denmark	None	None	Not applicable	Not applicable

Stay/rescheduling of contractual obligations

Jurisdiction	Length of protected period	Scope (penalty payments, penal clauses, etc) and carve outs	Can be waived?	Combines with *force majeure*/ frustration/unforeseeability?	Territorial scope/cross-border issues
Denmark	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

Temporary changes to insolvency and work outs framework

Jurisdiction	Freeze of assessment of cessation of payments	Freeze/rescheduling of insolvency applications	Extension of time periods within insolvency proceedings (plan, etc)	Other	Impact on restructurings
Denmark	None	None	None	None	Not applicable

Other issues

Jurisdiction	Regulatory relief measures taken at national level				
Denmark	None				

7. Egypt

Dania El Samad, Zulficar and Partners, DRS@zulficarpartners.com

Completion date: 15 September 2020

Emergency funding					
State-guaranteed loans					
Jurisdiction	**Size of programme**	**Terms of guarantee**	**Eligible borrowers**	**Terms of loans**	**Territorial scope/cross-border issues**
Egypt	Not applicable	**Subordinated loans to companies operating in aviation industry:** The Ministry of Finance (MoF) announced that ,in implementation of the President Abdel Fattah El Sisi's instructions, subordinated loans including a grace period for up to two years shall be granted to companies operating in aviation industry. The MoF will incur part of the financial liabilities borne by the aviation industry during the said grace period.	Companies operating in aviation industry.	Not applicable	Not applicable

Sectorial support plans

Jurisdiction	SMEs	Supply chains	Export credit	Specific industries	Other
Egypt	**Benefits granted to MSMEs**[9] The Egyptian Financial Regulatory Authority (FRA) has issued a number of measures aiming at facilitating and reducing the burden on more than 3.5 million citizens benefiting from microfinance, including FRA's instructions to the microfinance institutions (MFI) (licensed NGOs and companies) to provide their customers with incentives, free services and reduction in interest and any other charges, as well reschedule and defer payment of 50 per cent of instalments due, at least for the months of March and April 2020, based on an assessment of each customer's financial situation, on a case by case basis. In addition, each MFI is required to establish a special crisis management committee to review the exceptional cases that are adversely and negatively impacted by the Covid-19 crisis. Moreover, FRA has additionally granted the MSME customers holding an insurance policy against the risk of non-payment, a grace period of six months for the payment of insurance premiums.	Companies operating in different industries in Egypt have been granted various sectorial support plans and flexibilities as highlighted in this survey. Nevertheless, the government has also imposed some restrictions in an attempt to protect the end users and consumers from any possible abuse of the situation. For instance, producers and distributors[10] of products used in fighting the Covid-19 virus are required to abide by a number of measures including a certain a price ceiling when producing/distributing the said products, for three months starting from April 2020 or until further notice. Violating the said requirements subjects the violator to imprisonment and/or financial penalty, depending on the breach committed.[11]	**Payment of more than EGP 3bn for exporters from the Exporters Support Fund** In implementation of the industrial initiatives launched by the President Abdel Fatah El Sisi, the Minister of Finance announced that, throughout the months of April and May 2020, more than EGP 2bn has been paid out from the Exporters Support Fund. Payments were made as part of the governmental initiative to pay 30 per cent of the outstanding entitlements owed to exporters by the Exporters Support Fund with a minimum of EGP 5m per exporter. The Ministry shall continue to make such payment every month, until all outstanding amounts owed to exporters from the said fund are fully paid.	**Postponement of tax obligations** The ten industries that have been negatively affected by Covid-19 are allowed a grace period to pay the due income tax for the 2019 declaration in instalments until 30 June without imposing any fines. Said ten industries/sectors are as follows: companies operating in the aviation industry; tourism sector (including cafes and restaurants); hotels sector; media and press; companies operating in the industrial field, especially exporters with an exception to those operating in the nutrition, medical care and detergents fields; transportation industries; hospitals sector; contractors; telecommunication sector; programing sector; and clubs. **Financial incentives offered under the new Financial Rules Law** The Cabinet offers a number of incentives to support businesses of different industries that have suffered from the Covid-19 implications. Said incentives include postponing payment of real estate, income or value added taxes due, postponing payment of social insurance subscriptions and paying the governmental services fees in instalments, provided that such businesses retain all their employees and do not reduce the basic salaries of the employees, as a consequence of Covid-19 virus. It should be noted that such incentives must be applied according to separate regulations to be issued by the Cabinet, upon a proposal of the MoF in accordance with the relevant data received from other relevant ministries.	**Benefits to entities dealing with customs** The MoF has recently issued a new decision granting those who deal with the Customs Authority (eg importers and exporters) 14 new benefits, to incentivise investment and encourage the competitiveness of Egyptian products on the international markets. The benefits include measures to facilitate the customs procedures and shorten the customs clearance time. **General precautionary measures imposed by the CBE**[12] Banks are directed to apply a number of instructions by the Central Bank of Egypt (CBE), including, spreading awareness and maintaining the necessary level of hygiene. The same circular also required banks to: increase the daily credit limits; provide the credit limits required for companies to meet their importation obligations (especially with regard to importing food)/ and meeting working capital obligations (particularly for payrolls); cancel any fee/ commission imposed on bank transfer transactions inside Egypt; cancel any fee/ commission for ATM transactions and e-wallets to encourage cash-free dealings, for a period of six months starting from 15 March 2020 (date of the Circular); and put in place plans to increase the credit limits with foreign banks to ensure continuity of the necessary financing of external trade. **Reduction of interest rates**[13] The CBE issued an initiative aiming to reduce interest rates by 3 per cent to encourage economic growth.

9 http://www.fra.gov.eg/content/efsa_ar/efsa_news/efsa_860.htm

10 http://www.zulficarpartners.com/wp-content/uploads/2020/06/Decree-No.-17-2020.pdf

11 http://www.mof.gov.eg/Arabic/MOFNews/Media/Pages/release2-6-2020.aspx

12 http://www.zulficarpartners.com/wp-content/uploads/2020/06/Circular-dated-15-March-2020-regarding-the-precautionary-measures-to-counter-the-effects-of-Covid-19-Virus.pdf

13 https://www.cbe.org.eg/ar/Pages/HighlightsPages

	Reduction of interest rate for medium start-ups and small companies[14] related to large groups The CBE approved including the medium start-ups and small companies related to large groups operating in the industrial, agricultural and construction sectors, as defined in the CBE circular dated 18 June 2020, in its initiative to give such sectors access to finance by banks within an allocated amount of EGP 100bn, at a reduced interest rate of 8 per cent per annum.			**Reduction of interest rate for special sectors/industries[15]** The CBE has approved granting agribusiness companies and the industrial private sector, as per the industrial private sector initiative, in addition to, the middle-income class mortgage financing initiative and the initiative for renewal of floating hotels, a special interest rate (to become 8 per cent instead of 10 per cent per annum). **Activating the role carried out by the Credit Guarantee Company (CGC) in supporting different sectors[16]** In line with the CBE's policy to support different sectors during the Covid-19 crisis, the CBE has authorised the CGC to extend its guarantee umbrella to secure the facilities granted by banks to SMEs, in addition to companies operating in the tourism, agriculture, construction and industrial sectors. **Taxpayers removal of confiscation[17]** Implementing President Sisi's instructions, the MoF has removed the administrative confiscation over 1,075 taxpayers as a support to overcome the Covid-19 crisis.	

Relaxation of regulatory requirements for lenders

Jurisdiction	
Egypt	The CBE issued a circular dated 16 April 2020 waiving the additional risk weights calculated on the top 50 clients in the concentration of banks' credit, for a period of one year. The CBE instructed the banks to suspend field investigation on credit clients' suppliers until further notice.[18]

14 https://www.cbe.org.eg/en/Pages/HighlightsPages/Circular-dated-18-June-2020-regarding-including-medium-start-ups-and-small-companies-related-to-large-groups-in-the-8-initi.aspx

15 https://www.cbe.org.eg/en/Pages/HighlightsPages/Central-Bank-of-Egypt-Measures-to-offset-the-impact-of-Covid-19.aspx

16 https://www.cbe.org.eg/en/Pages/HighlightsPages/Central-Bank-of-Egypt-Measures-to-offset-the-impact-of-Covid-19.aspx

17 http://www.mof.gov.eg/Arabic/MOFNews/Media/Pages/release-a-30-7-2020.aspx

18 https://www.cbe.org.eg/en/Pages/HighlightsPages/-Circular-dated-16-April-2020-regarding-waiving-for-1-year-the-additional-risk-weights-calculated-on-the-top-50-clients-in-.aspx

Stay/rescheduling of statutory time periods				
Jurisdiction	**Length of protected period**	**Scope (time bar, registration, unenforceability, inadmissibility, expiry, automatic discontinuance of action, enforcement, voidness, etc) and carve outs**	**Impact on insolvency and work outs**	**Territorial scope/cross-border issues**
Egypt	**Postponement of credit instalments**[19] The CBE issued instructions to the banks on 16 March 2020 to postpone the repayment of principal instalments and interest thereon for a period of six months for all their respective customers, to end in September 2020, while exempting them from delay interest/penalty associated with the deferral of the due dates for such payments. On 14 September 2020, as the above postponement period expired, the CBE, in order to monitor the economic situation and ensure the stability of the banking sector, has issued new instructions for banks to support their customers whose revenues and cash flow are affected by the Covid-19 crisis. Such instructions include: • carrying out accurate reviews of the credit facilities granted to their customers and determine the adequate procedures to deal with such customers in accordance with their capacity to repay the facilities. Such processes should not put pressure on the liquidity of the companies and individuals in a way that affects their business and liquidity. • Rescheduling of indebtedness to accommodate the customers' capacity to repay the facilities by extending the term of the facilities, rescheduling the instalments without any fees, capitalising the interest, granting grace period. • To abide by the CBE instructions regarding the assessment of the creditworthiness of the customers, make adequate reserves and apply IFRS9 rules. • Carrying out studies and risk assessment related to the Covid-19 crisis in addition to stress tests to determine the impact of the crisis on the credit portfolio as well as on the economic sectors and put in place plans to face any potential losses. **Amendment of Central Bank registry rules**[20] The CBE issued an amendment of the Credit Registration Regulations for non-performing debtors, in light of the current Covid-19 crisis, enabling non-performing or blacklisted borrowers to agree rescheduling agreements and refinance, subject to certain conditions. The CBE also issued new rules requiring banks to inform non-performing debtors, on a case-by-case basis, of their current status, in light of the new rules, particularly with respect to the frequency of disclosures to be made, the removal of their historical data and lifting the ban preventing them from dealing with other banks.	Not applicable	Not applicable	Not applicable

19 https://www.cbe.org.eg/en/Pages/HighlightsPages/Central-Bank-of-Egypt-Measures-to-offset-the-impact-of-Covid-19.aspx

20 Circular-dated-24-June-2020-regarding-obliging-banks-to-inform-non-performing-clients-of-removing-their-historical-data-and http://www.zulficarpartners.com/wp-content/uploads/2020/06/Circular-dated-7-April-2020-regarding-the-amendment-of-CBE-Board-decree-concerning-central-credit-registry-rules.pdf

Stay/rescheduling of contractual obligations

Jurisdiction	Length of protected period	Scope (penalty payments, penal clauses, etc) and carve outs	Can be waived?	Combines with *force majeure*/ frustration/unforeseeability?	Territorial scope/cross-border issues
With an exception to the tax reliefs and CBE decisions that were issued to provide borrowers with more flexibility with regard to their debt obligations, as briefly outlined herein, there has been no substantial laws introduced to provide for rescheduling of contractual obligations. There is an array of remedies and doctrines that may be utilised and invoked to address the ongoing Covid-19 concerns across all sectors and industries. These remedies and doctrines include: *force majeure*, hardship (*imprevision*), *fait du prince*, and *sujétions imprévues*. Needless to say, the applicability of each doctrine is dependent on the specific facts of the case, the characterisation of the contract or dealing in question and the pertinent applicable legal norms.	To be assessed on a case-by-case basis	To be assessed on a case-by-case basis	To be assessed on a case-by-case basis	To be assessed on a case-by-case basis	To be assessed on a case-by-case basis

Temporary changes to insolvency and work outs framework

Jurisdiction	Freeze of assessment of cessation of payments	Freeze/rescheduling of insolvency applications	Extension of time periods within insolvency proceedings (plan, etc)	Other	Impact on restructurings
Egypt	Not applicable	Not applicable	Not applicable	Nonperforming loans initiative for individuals/entities The CBE issued an initiative that aims at alleviating the burden and enabling borrowers of nonperforming loans (for individuals), based on a credit report (ie I-Score report) on the relevant individual, to be eligible for obtaining financing from banks. As per the said CBE circular, all court cases against such customers should be dropped once the terms of rescheduling are agreed with the bank. Such customers should also be removed from the blacklists of the CBE and I-Score upon payment of 50 per cent of the net overdue amounts, excluding marginalised interest and cash security. It is also worth noting that a similar initiative has been extended by the CBE to borrowers of nonperforming loan for legal entities subject to meeting certain conditions, such as: the debt does not exceed EGP 10m; and having a creditworthiness category of nine or ten.	Not applicable

Other issues	
Jurisdiction	**Regulatory relief measures taken at national level**
	Fast-track settlement of tax disputes On the occasion of supporting the business community, the MoF declared in an official statement that tax defaulters who have been impounded on the grounds of non-payment of a due tax (but did not challenge the claims) may pay 1 per cent of the disputed tax in order to suspend the impounding. Also, taxpayers who have been impounded on the account of overdue tax non-payment, should pay 5 per cent of the due tax to suspend the impounding.

8. Finland

Tarja Wist, Wist Attorneys, tarjatuuliawist@gmail.com

Completion date: 16 September 2020

Emergency funding					
State-guaranteed loans					
Jurisdiction	**Size of programme**	**Terms of guarantee**	**Eligible borrowers**	**Terms of loans**	**Territorial scope/cross-border issues**
Finland	**The Business Finland RDI Loan Programme** €300m		• Limited liability (private and public) SMEs and mid-cap companies who employ at least six people, operate in international or domestic markets and whose businesses have been affected by the Covid-19 pandemic. • Foundations and associations with significant businesses affected by the Covid-19 pandemic. Eligible organisations must be able to implement a development project of at least €150,000 and, eventually, to repay the loan from their business earnings.	The Business Finland RDI Loans are intended as project finance for two types of projects: 1. For applicants who have identified development needs in their business operations as the result of the exceptional circumstances caused by the Covid-19 pandemic: • The funded project must attempt to directly solve a disruptive situation or business threat caused by Covid-19. • The developed solution must offer competitive advantage at least in the Finnish market. • The level of funding is generally 70 per cent, and the maximum amount that may be granted is €500,000. 2. For applicants who are seeking international growth and are looking to invest in research, development and innovation (RDI) activities during the exceptional circumstances in order to improve international competitiveness and the prerequisites for international growth: • The so-called standard criteria for RDI funding apply. The developed solutions must seek a competitive advantage in at least the specified international markets. • Standard funding level is 50 per cent. No upper limit of the amount of granted funding applies. The minimum amount of the loan is €100,000. The applicant must be able to demonstrate that it has sufficient funds to finance the whole project. The funding is generally paid retrospectively. The term of the loan is generally seven to ten years, with the first three years free of amortisations. In the case of loans to companies seeking international growth, the loan period is the same as in Business Finland's normal RDI funding. At the beginning of the project, 30 per cent of the loan can be granted for the project in advance. The rest of the funding is paid upon the accrual of the actual costs. The loans are unsecured and no collateral is required.	

Finland	**Finnvera domestic funding** €10,000m	Finnvera's Start Guarantee, SME Guarantee and Finnvera Guarantee are available for working capital needs caused by the Covid-19 pandemic. The Start Guarantee is intended for companies that have been operating for the maximum of three years. The SME Guarantee is intended for companies that have been in operation for more than three years. The SME Guarantee may be used to secure a loan of a maximum amount of €150,000. The Finnvera Guarantee may be granted for increased working capital needs where Finnvera's Start Guarantee and SME Guarantee are not available. Finnvera's guarantee coverage will primarily be 80 per cent, but a guarantee of up to 90 per cent may in some cases be granted where the SME's financing absolutely requires it. Finnvera has reduced the guarantee commission for its above guarantees retroactively from 1 March 2020 to the maximum of 1.75 per cent p.a. **Large corporations** Finnvera may grant guarantees for the financing of large corporates on a case-by-case basis in specific situations caused by the Covid-19 pandemic. The maximum amount of the guarantee is up to 80 per cent of the loan and the total liability €100m at the most.	Finnvera grants financing to companies that operate in Finland and pass its eligibility tests. Before making the financing decision, Finnvera assesses the company's targets, development plans, training and experience, the market situation in the sector and the competition in the region as well as the adequacy of the overall financing and the profitability of the business. Finnvera does not finance building development, forestry, farming, financial activities, gambling or adult entertainment or societies and companies that do not fulfill the criteria of business activities or that do not seek business profit.	Finnvera working capital loans may be granted directly by Finnvera, if the financing of the company otherwise cannot be arranged. A working capital loan may not be applied for the repayment of existing debt.	Finnvera may also grant funding for companies operating in Finland that are owned by foreign citizens.

Sectorial support plans

Jurisdiction	SMEs	Supply chains	Export credit	Specific industries	Other
Finland	**The Business Finland Funding for business development in disruptive circumstances** This is a non-repayable grant that was available until 8 June 2020 for SMEs and mid-cap companies that had between six and 250 employees, and a viable business ,before the Covid-19 pandemic. The grant was intended for two purposes: *Preliminary funding for companies during business disruptions* This funding was available for investigating and planning of new businesses, alternative subcontracting chains, and ways to organise production during and after the disruption caused by the Covid-19 pandemic. The recommended project duration was four months. The maximum amount of the grant was €10,000. *Development funding for companies during business disruptions* This funding was available for development of new product- or production-related solutions aiming at improving the potential for success during and after the disruption caused by the Covid-19 pandemic. The recommended project duration was one year. The maximum amount of the grant was €100,000.		As a part of the Temporary Framework for state aid measures to support the economy in the current Covid-19 outbreak, the EU Commission has announced the below countries as temporarily non-marketable until the end of 2020. Consequently, Finnvera, as the official export credit agency of Finland may grant new short-term guarantees for the following marketable risk countries until 31 December 2020: Austria, Bulgaria, Belgium, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Italy, Ireland, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, United Kingdom, Australia, Canada, Iceland, Japan, New Zealand, Norway, Switzerland, USA	**Fishery** Temporary financial support for fisheries sector is available for undertakings whose financial situation has deteriorated as a result of market and production disruptions caused by the Covid-19 pandemic. The amount of the support ranges from €3,000 to €10,000 and it is payable in advance. The support may be granted for a maximum period of six months starting from 19 March 2020 or later. The support may cover up to 80 per cent of the necessary economic adjustment. **Farming and rural enterprises** Temporary aid for rural enterprises and primary production helps farms and agricultural enterprises whose financial situation has deteriorated due to market and production disturbances caused by the Covid-19 pandemic. The amount of the aid rangers from €5,000 to €10,000 and it may cover up to 80 per cent of the necessary expenses. **Catering** The catering business was severely restricted by legislation from 4 April until 31 May 2020. To compensate for the damage and to mitigate the effects of the restrictions, two complementary forms of support are available: • The remuneration for fixed costs incurred during the lock down (such as rental payments, costs for electricity and similar fixed costs) is payable as a so-called mass payment without a need for an application; and • support for the preparedness and ability to employ workers at the same level as before the lock down is granted and paid upon application. **Artists** The Finnish Cultural Foundation, various other cultural organisations as well as many local municipalities have established special programmes providing financial support to artists suffering from the effects of the Covid-19 pandemic. **Water supply** The operations of the water supply operators during the Covid-19 pandemic are supported by special grants for which a total of €1m is reserved.	In business sectors (ranging from tourism and entertainment industries to IT services and asset management) where the turnover in April 2020 was at least 10 per cent lower than the monthly average turnover during the comparison period from 1 March to 30 June 2019, a special business cost support was available from 7 July until 31 August 2020 to business enterprises that met the following criteria: • the enterprise's turnover during the comparison period was €20,000 or more and had decreased by more than 30 per cent; • the enterprise had payroll costs and fixed costs that were difficult to adjust; and • the amount of the support exceeded €2,000. If an enterprise's industry sector was not within the scope of the support, the enterprise could, nevertheless, apply for the support on particularly serious grounds. Primary agricultural production, fisheries and aquaculture industries were not eligible for the cost support. The amount of the business cost support was calculated based on a formula accounting for the amount of the decrease of the turnover, the salary expenses and the other fixed expenses of the enterprise. It was capped at €500,000.

	In both cases the grant could cover up to 80 per cent of the project's approved total costs. Up to 70 per cent of the grant may be paid in advance. **ELY Centre funding for businesses in current exceptional circumstances caused by the Covid-19 pandemic** This is a non-repayable grant that was available until 8 June 2020 for businesses that: • employ less than six people; • have experienced temporary market and production disturbances caused by the Covid-19 pandemic; • are expected to be profitable in the future; and • seek to renew and strengthen their expertise. In addition, independent entrepreneurs who employ at least one person were eligible for this grant. The grant was not available for self-employed persons or for businesses operating in agriculture, forestry, fishing, or the processing of agricultural products. The grant was available for two purposes: situation analysis (analysing and planning of business operations, new business activities, the organising of production and services during and after the market and production disruption caused by the Covid-19 pandemic) ; and development measures (such as refocusing of the business, developing of the subcontracting network, organising the company's production in new ways, development of products and services or strengthening the expertise within the company).				

	The maximum amount of the grant was €10,000 for situation analysis and €100,000 for development measures. In both cases, the grant could cover up to 80 per cent of the project's approved total costs. Up to 70 per cent of the grant may be paid in advance. Self-employed persons whose businesses have suffered during the pandemic may apply for a grant of €2,000 from the local municipalities.				

Relaxation of regulatory requirements for lenders

Jurisdiction	
Finland	The European Central Bank (ECB) has adopted several measures to support bank lending. The ECB has relaxed the conditions for targeted longer-term refinancing operations (TLTRO III) by, among other things, reducing the interest rate on TLTRO III, raising borrowing allowances, removing bid limits and lowering lending performance thresholds; and The ECB has adopted temporary collateral easing measures to facilitate the availability of eligible collateral for Eurosystem counterparties to participate in liquidity providing operations, such as TLTRO-III. Further, the European Banking Authority (EBA) has published guidelines to clarify that payment moratoria do not trigger forbearance classification and the assessment of distressed restructuring as long as the moratoria are based on the applicable national law or on an industry- or sector-wide private initiative agreed and applied broadly by relevant credit institutions. The Finnish Financial Supervision has announced that it will follow these guidelines when supervising Finnish credit institutions.

Stay/rescheduling of statutory time periods

Jurisdiction	Length of protected period	Scope (time bar, registration, unenforceability, inadmissibility, expiry, automatic discontinuance of action, enforcement, voidness, etc) and carve outs	Impact on insolvency and work outs	Territorial scope/cross-border issues
Finland	From 1 May to 31 October 2020	Pursuant to a temporary change of law, enforcement authorities have been vested with extended authorities to postpone enforcement or grant additional time for payment of claims. Where the Covid-19 pandemic or the related lock down measures have given rise to temporary financial difficulties of a private individual, the amount available for garnishment of salary or business income is reduced and the garnishment of salary may be discontinued and deferred.	Unsuccessful enforcement attempt against a debtor is deemed to prove that the debtor is insolvent and, accordingly, to constitute a legal ground for the initiation of insolvency proceedings against the debtor. Postponement or deferral of enforcement will, therefore, in practice also postpone or reduce the need for insolvency proceedings.	Applies to enforcement in Finland.

Stay/rescheduling of contractual obligations

Jurisdiction	Length of protected period	Scope (penalty payments, penal clauses, etc) and carve outs	Can be waived?	Combines with force majeure/frustration/ unforeseeability?	Territorial scope/cross-border issues
Finland	From 1 July until 31 December 2020	Interest rates of all consumer loans are capped at 10 per cent and it is forbidden to increase charges relating to consumer loans.	No	The consumer protection laws, and the Finnish contract law generally, also include a principle of mitigation of unreasonable contractual terms, which principle may be applied in parallel with the interest rate cap and the prohibition against increased charges. The contract law further includes a generally applicable force majeure rule. The application of the principle of mitigation and the force majeure rule are not temporary or limited by any time period.	The territorial scope of the Finnish consumer protection laws and the general contract law is defined by the Rome Convention 1980. The provisions of the consumer protection laws, as well as most likely also the contract law principle of mitigation of unreasonable contractual terms, constitute internationally mandatory rules of Finnish law that apply notwithstanding any agreed choice of law between the parties.

Temporary changes to insolvency and work outs framework

Jurisdiction	Freeze of assessment of cessation of payments	Freeze/rescheduling of insolvency applications	Extension of time periods within insolvency proceedings (plan, etc)	Other	Impact on restructurings
Finland		While there is no general freeze or rescheduling of insolvency (ie bankruptcy or corporate reorganisation) applications, there is a temporary change, effective from 1 May to 31 October 2020, to the grounds on which bankruptcy proceedings may be initiated based on an application by a creditor. This change was accomplished by temporarily abolishing the regular legal presumption that a debtor is deemed insolvent if the debtor has failed to pay a due and undisputed claim within a week's time from the creditor requesting payment and threatening with the initiation of bankruptcy proceedings.		The general framework for corporate reorganisation proceedings is considered to provide reasonably good protection to companies also during the Covid-19 pandemic, since an application for corporate reorganisation proceedings triggers an automatic stay of enforcement and bankruptcy proceedings.	

Other issues

Jurisdiction	Regulatory relief measures taken at national level	Temporary changes to the collection of value-added-tax (VAT)	Temporary changes to employment law
Finland		Temporary provisions allowing rescheduling of payments of VAT were in place for the period of 26 June until 31 August 2020. Further, certain equipment and services used for the prevention, testing and treatment of the Covid-19 infections were exempted from VAT from 29 June until 31 July 2020.	The statutory time period for co-operation proceedings required for temporary lay-offs of employees has been shorted to five days from the regular six weeks or 14 days (depending on the total number of employees) in order to allow companies to more rapidly adapt their operations to the changed business environment. The shortened statutory time period applies from 1 April to 31 December 2020.

9. France

Jean-François Adelle, Jeantet, jfadelle@jeantet.fr

Completion date : 15 September 2020

Emergency funding					
State-guaranteed loans					
Jurisdiction	**Size of programme**	**Terms of guarantee**	**Eligible borrowers**	**Terms of loans**	**Territorial scope/cross-border issues**
France	€300bn	**State-guaranteed loan** The guarantee is granted to the credit institutions, financing companies and crowdlenders in consideration of a fee depending on the loan maturity and the size of the borrower. Assignment of the state-guaranteed loan entails cancellation of the guarantee. The guarantee is transferable to the affiliates of the same banking group or in the event of mobilisation of loan receivables, including by way of securitisation whereby the units/shares of the SV are subscribed by the lender or by affiliates of the same banking group exclusively, or within the monetary policy operations of the European Central Bank System. The state guarantee covers the principal, interest and accessories of loans at a percentage rate of: • 90 per cent for enterprises that, during the last financial year (or if no financial year has been closed, as at 16 March 2019), employed less than 5,000 employees in France and generates turnover less than €1.5bn; • 80 per cent for enterprises that, during their last financial year, generated a turnover less than €5bn; • 70 per cent for others. The total maximum amount of the state-guaranteed loans per enterprise is established for enterprises created since 1 January 2019 at 25 per cent of the total payroll of their first two financial years or, if more favourable, 25 per cent of their 2019 turnover, or the turnover of their last available financial year.	**State-guaranteed loans** Legal and natural persons, including artisans, merchants, farmers, liberal professionals and micro -nterprises, as well as associations and foundations the economic activity of which is related to social and solidary economy, registered on the national directory of businesses and their establishments provided that: • they are not civil real estate companies (except building and sale real estate companies, real estate companies the major part of assets of which are historical monuments and real estate companies the capital of which is entirely held by collective investment schemes); • they are not credit institutions and financing companies • they were not subject to judicial liquidation or professional rehabilitation, or subject to observation period of safeguard or judicial reorganisation proceedings on 31 December 2019, except where a safeguard or reorganisation plan has been set up by the tribunal prior to the grant of loan.	**State-guaranteed loans** The loans are not secured by any security interest or personal guarantee other than the state guarantee. The eligible loans are free of amortisation for at least the first 12 months following the disbursement. Loan agreements stipulate a clause enabling the borrower at the end of the first year to proceed with an amortisation over an additional period up to five years. The maximum term of the loan may not exceed six years following the disbursement of the loan. The loans may provide for acceleration in case of non-respect of the term sheet (*cahier des charges*), including in case of intentional misrepresentation by the borrower. The state guarantee may secure loans granted between 16 March 2020 until 31 December 2020 (inclusive). The money may be made available after 31 December 2020. **State-guaranteed receivables finance** If there already exists a factoring agreement between the assignor and the factor, an amendment to the factoring agreement is executed. Otherwise, the newly concluded factoring agreement provides for the conditions of the financing.	**State-guaranteed loans** The state guarantee may only secure loans granted to enterprises registered in France. There are no restrictions in relation to the nationality of lenders.

		For enterprises created before 1 January 2019, the total maximum amount of state-guaranteed loans per enterprise is 25 per cent of their 2019 turnover, or the turnover of their last available financial year. More favourable rules apply to innovative enterprises and some sectors (tourism, culture, sports, aeronautics). A credit event is defined as: • the borrower's failure to pay any amount due to the lender under the loan, including in the event of acceleration; • restructuring of the loan leading to an actuarial loss for the lender; • opening of a safeguard, swift safeguard, financial swift safeguard, judicial reorganisation, judicial liquidation or professional rehabilitation, or any equivalent proceeding opened abroad. No indemnity is available under the guarantee if the credit event takes place within two months following the disbursement of the loan. To activate the guarantee, the lender/ intermediary of the crowdlending platform must show that following the grant of the state-guaranteed loan, the total amount of outstandings available to the borrower exceeds the total amount of outstandings as at 16 March 2020, taking into account the contractual amortisation or decrease due to the borrower's decision (early repayment). The call of the guarantee may not take place more than three months following the contractual term of the loan. Payment under the state guarantee takes place within 90 days of demand by way of provisional indemnity, subject to regularisation upon crystallisation of the loss.	State-guaranteed receivables finance Legal and natural persons, including artisans, merchants, farmers, liberal professionals and micro enterprises, as well as associations and foundations the economic activity of which is related to social and solidary economy, registered on the national directory of businesses and their establishments provided that: • they are not credit institutions and financing companies, • they were not subject to judicial liquidation or professional rehabilitation, or subject to observation period of safeguard or judicial reorganisation proceedings on 31 December 2019, except where a safeguard or reorganisation plan has been set up by the tribunal prior to the grant of loan.	Under the contractual arrangement, two accounts are set: • the first account relates to the financing of orders (prior to issue of invoice) benefiting from the state guarantee; and • the second account relates to the financing of invoices (not covered by the state guarantee), related or unrelated to the orders mentioned above. The agreement provides for set off between the amounts credited to each account in case of credit event. The receivables are assigned no later than 30 days following the order, and in any case no later than 31 December 2020. Invoices relating to orders benefiting from guaranteed financing must be issued no later than six months following the order and no later than 30 June 2020.	**State-guaranteed receivables finance** These financings may benefit only to enterprises registered in France in consideration of orders made by private or public law entities, whatever their legal form and nationality.

		State-guaranteed receivables finance The French government introduced innovative provisions authorising enterprises to finance their receivables from of receipt of confirmed orders (prior to the issue of any invoice) with the benefit of the state guarantee. The state guarantee is granted in consideration of a fee depending on the size of the enterprise assigning its receivables and the maximum periodicity of the financing. The assignment of the state-guaranteed financing entails cancellation of the guarantee. The guarantee is transferable to the affiliates of the same banking group or in the event of mobilisation of receivables, including by way of securitisation whereby the units/shares of the SV are subscribed by the financier or by affiliates of the same banking group exclusively, or within the monetary policy operations of the European Central Bank System. At the moment when the financing is implemented, the enterprise certifies that the sum of the contractually set maximum amount and the total amount of state-guaranteed loans available to it is less than its 18-month cash requirement. If the beneficiary of the financing: (1) employs, at the end of the last financial year, more than 250 staff, or (2) has a turnover in excess of €50m and a balance sheet in excess of €43m, then the enterprise shall certify that the sum of the contractually set maximum amount and the total amount of state-guaranteed loans available to it does not exceed its 12-month cash requirement. The state guarantee covers the principal, interest and accessories of sums due under the financings at a percentage rate of: • 90 per cent for enterprises that, during the last financial year (or if no financial year has been closed, as at 1 August 2020) employ less than 5000 employees in France and generates turnover less than €1.5bn; • 80 per cent for enterprises that during their last financial year generate a turnover less than €5bn; • 70 per cent for all others.			

		Credit events are described on terms equivalent to those of state-guaranteed loans. The indemnity is paid within 90 days of demand by payment of provisional indemnity, subject to further regularisation upon crystallisation of the amount lost. The guarantee may be called upon no later than 30 September 2021.			

Sectorial support plans

Jurisdiction	SMEs	Supply chains	Export credit	Specific industries	Other
France	Other than state-guaranteed loans, partial unemployment and industry specific measures, SMEs benefited from: • postponement of social and/or tax contributions upon demand; • restructuring of tax debt (revenue taxation, territorial economic contribution) or tax rebates; • postponement of rent, water, electricity and gas invoices for the smallest enterprises eligible to the solidarity fund; and • the solidarity fund. Eligible: very small enterprises, freelance workers, micro-enterprises and liberal professionals that were subject to prohibition to receive the public, or those who lost at least 50 per cent of their turnover for the affected period in 2020 compared to 2019. To be eligible, enterprises must employ up to 10 staff (except for priority sectors), have a turnover of less than €1m (except for priority sectors) and have taxable revenue of less than €60,000. Farmers members of a common agricultural exploitation group (GEAC), artist-authors and companies subject to judicial reorganisation and safeguard are eligible for the solidarity fund.	Sector-specific provisions in favour of supply chains are contained in sectoral plans.	The support plan for exporting enterprises contains four exceptional measures: • grant of state guarantees via Bpifrance is reinforced by increasing the guaranteed share up to 90 per cent for all SMEs and intermediary-sized enterprises. The validity of export prefinancing guarantees is expanded to six months. • prospection insurances in implementation are extended by one year. • a €2bn capacity shall be contributed to short-term credit export insurance thanks to the expansion of public reinsurance arrangement Cap Francexport that shall cover all countries of the world. • assistance and information by operators of the Team France Export (Business France, chambers of commerce and industry and Bpifrance) are reinforced.	France has adopted seven sectoral plans in favour of : • the automobile industry; • the aeronautical industry; • tourism, sports and culture; • technology; • construction and public works; • bookshops and publishers; and • local convenience stores. The support plan in favor of the automobile industry provides for more than €8bn of aid, investments and loans. Measures include education and employment measures, increased or new aids for acquisition of cleaner (electric or hybrid) vehicles; installation of electric charging points; €1bn dotation for modernisation and digitalisation of the production chain, ecologic transformation and innovation. The support plan for the aeronautical industry contains both measures in favour of the demand (increase of support of Bpifrance credit insurance for the industry's export transactions; a 12-month moratorium of amortisation of export credit granted to airlines starting end March 2020; temporary easing on the payment terms relating to the acquisition of new aircrafts; anticipated orders from the military, civil security and gendarmerie) and measures to support the offer (creation of a €1bn investment fund to provide loans and own funds in view of preserving the critical know how and improving SME and medium-sized enterprises'	On 3 September 2020, a stimulus package (Plan de Relance) of €100bn (of which €40bn shall be provided by the European Union) has been presented. The main feature of the package is to accelerate the ecological conversion of France (favoring organic agriculture, energy of the future, thermal renovation of public buildings and private dwellings, decarbonisation of the industry, access to cleaner means of transportation), independence in relation to essential goods (agrifood sector, health products, industrial inputs) and development of technologies (5G, quantics, etc).

	The first phase of the solidarity fund enables enterprises to benefit from aid equal to the declared loss of turnover, up to €1,500. The second phase enables enterprises benefiting from the first phase to receive an additional support of an amount between €2,000 and 5,000 (increased to €10,000 for enterprises of priority sectors employing at least one person and those of related sectors employing one person having suffered 80 per cent reduction in turnover). Enterprises may benefit from support under the second phase if: • their available assets do not suffice to pay their debt outstanding within 30 days and their fixed charges (including commercial or professional rent) due in March, April and May 2020; • they have received a refusal of state-guaranteed loan of reasonable amount from their bank (condition not applicable to priority sector enterprises employing at least one person, or enterprises closely tied to the priority sector employing at least one person having suffered at least 80 per cent loss of their turnover) • they have at least one employee or were subject to prohibition to receive public between 1st March 2020 and 11 May 2020 and had turnover of at least €8,000, and • artists and authors, the activity of which is not domiciliated in their dwelling, are eligible to the second part of the solidarity fund.			competitiveness; creation of a €300m public fund for accompanying companies toward diversification, modernisation and environmental; support to R&D toward creating a 'green' aircraft). The support plan in favor of enterprises active in tourism, sports and culture events provides for €3bn of investments (€1bn in tourism loans; €600m in short and long -erm loans by CDC group; more than €1.2nn investment in own funds by CDC and Bpifrance and reinforcement of tourism social investment fund up to €225m). SMEs of the sector will benefit from postponement of credit instalments for a maximum period of 12 months. The support plan extends partial activity until the end of 2020 on the terms offered during the lockdown; the availability of the solidarity fund is extended until the end of 2020 with an increased access to companies employing up to 20 staff and up to €2m turnover with support up to €10,000. The support plan contains industry-specific tax and social contributions related provisions, the support plan increases daily limit of lunch tickets. In the support plan the maximum amount of state-guaranteed loans is determined in accordance with the turnover of the three best months of 2019. The support plan provides for cancellation of rents for occupation of public domain for very small enterprises and SME during the closure period. The measures will be available through a digital one-stop shop system. The support plan for technology enterprises contains support measures to pass through the crisis and continue innovating (launch of an €500m investment fund 'French Tech Souveraineté' to support enterprises developing sovereign future technologies; an additional amount of €120m granted to the major investment support program; an additional €80m cash support through French Tech Bridge; an additional €20m dotation to the i-Nov competition; loans to start-ups not eligible to state-guaranteed loans	

				experiencing conjunctural difficulties); support for the emergence of new startups (launch of a €100m investment fund French Tech Accélération n° 2; financing of €65m); support of the demand by easing constraints on the digitalisation of the society and the economy; and support to employment. The support measures for the sector of construction and public works contains provisions for taking into account the additional costs related to the stop of works and public health measures between the construction enterprises, commissioners and general contractors. An additional €1bn dotation to the local investment related to health, ecological transition, including thermic renovation of public building and renovation of patrimony is part of the support plan. The support plan provides for state guarantees enabling construction companies maintain their credit insurance. The plan provides for increase in down payments above 60 per cent in public works without first demand guarantee for all contracts entered between 12 March 2020 and 10 September 2020. The plan also contains provisions relating rebates on social contributions, repayment of tax credits and employment measures. Apart from provisions relating to tax and social contributions, the support plan for the book sector contains measures in favor of bookshops (€25m support fund, €12m envelope for modernisation of equipment) and publishers (€5m support fund to publishing houses with turnover from €100,000 to €10m), favourable terms of access (availability until the end of 2020 and increased maximum aids) to solidarity fund, and a loan envelope up to €40m. The support plan for convenience stores, artisans and freelance workers contains provisions relating to tax and social contributions, simplified access to state-guaranteed loans, creation of 100 land ownership structures (foncières) to dynamise trade in city centres – renovation of 6,000 commercial premises over five years to be let in consideration of limited rent, etc.	

Relaxation of regulatory requirements for lenders	
Jurisdiction	
France	The counter-cyclical capital buffer has been set at 0 per cent in France under the Haut Conseil de stabilité financière's (HCSF) decision.

Stay/rescheduling of statutory time periods				
Jurisdiction	**Length of protected period**	**Scope (time bar, registration, unenforceability, inadmissibility, expiry, automatic discontinuance of action, enforcement, voidness, etc) and carve outs**	**Impact on insolvency and work outs**	**Territorial scope/cross-border issues**
France	From 12 March to 23 June 2020	Each deed, appeal, court action, registration, declaration, notice or publication prescribed by statute or a regulation on pain of nullity, sanction, lapse (caducité), forfeiture, timebar, unenforceability, inadmissibility, expiry, automatic discontinuance of action, enforcement of a specific regime, voidness or deprivation of any right whatsoever that should have been carried out within the protected period, will be deemed to have been carried out in a timely manner if carried out within the statutory deadline following the end of the protected period, provided that it shall not exceed 23 August 2020. The same applies to any payment prescribed by a statute or a regulation in view of acquiring or protecting a right.	This measure applies to filing proof of claim.	Not applicable

Stay/rescheduling of contractual obligations

Jurisdiction	Length of protected period	Scope (penalty payments, penal clauses, etc) and carve outs	Can be waived?	Combines with *force majeure*/frustration/unforeseeability?	Territorial scope/cross-border issues
France	From 12 March 2020 to 23 June 2020	Penalty payments, penal clauses, termination clauses and acceleration clauses that aim at sanctioning non-performance of an obligation within a defined period, are deemed not to start to run or have effect, if the abovementioned period has expired during the protected period. If the debtor has not performed its obligation to pay or to do and if the date on which such penalty payments should have started running and such clauses should have started producing effect occurs during the protected period, such date is postponed for a duration, calculated after the end of the protected period, equal to the time elapsed between the latest of 12 March 2020 or the date on which the obligation arose, and the date on which the obligation should have been performed. If a debtor has not performed its obligation to do and if the date on which such penalty payments should start running and such penalty clauses, such termination and forfeiture clauses should produce effect after the protected period, such date is postponed for a duration equal to the time elapsed between the latest of 12 March 2020 or the date on which the obligation arose, and the end of the protected period. The running of penalty payments and the effect of penal clauses that produced effect before 12 March 2020 are suspended during the protected period.	Parties may exclude application of the mechanism by an express contractual clause or waive their rights.	French law recognises unforeseeability in both public and private law. Private law unforeseeability provisions contained in Article 1195 of the French Civil Code provide that if a change of circumstances unforeseeable during the conclusion of the agreement renders the performance of the agreement excessively onerous for a party who has not accepted to carry such risk, such party may request from another party to renegotiate the agreement. In case of refusal or failure to renegotiate, the parties may agree on rescission of the contract or ask that the judge revises the contract. In the absence of agreement within reasonable time, judge may, at the request of a party, revise the contract or rescind it under the conditions decided by the judge. This provision may and it is generally waived by the parties. Force majeure is defined as an event outside debtor's control, that could not be reasonably foreseen at the moment of the conclusion of the agreement and the effects of which that may not be avoided by appropriate measures prevent the debtor from performing his obligations. The effect of the force majeure is to suspend the performance of the contract if the hindrance is temporary, except when the delay renders the performance useless in which case the contract is rescinded. Parties to an agreement may contractually adapt the definition of force majeure. No penalty on public procurement contract applied since coronavirus related difficulties are deemed to be Acts of God in the framework of public procurement contracts entered into by the state and local authorities.	These measures apply to agreements governed by French law. Having been enacted in view of mitigating the negative consequences of the Covid-19 exceptional public health crisis on the debtors and more generally on the French economy, these measures are likely to be overriding mandatory rules. French judges could apply them to contracts governed by foreign law or deny exequatur of a foreign court decision taken in breach of the provision of this ordinance.

Temporary changes to insolvency and work outs framework

Jurisdiction	Freeze of assessment of cessation of payments	Freeze/rescheduling of insolvency applications	Extension of time periods within insolvency proceedings (plan, etc)	Other	Impact on restructurings
France	Cessation of payments must be assessed in consideration of the debtor's situation as at 12 March 2020 (subject to the court's power to set the date at an earlier date or postpone it to a later date in case of fraud).	No judicial reorganisation, judicial liquidation or professional rehabilitation proceeding may be initiated by a third party against a French debtor by reason of a cessation of payments that took place between 12 March 2020 and 23 August 2020. Such action may be commenced only after the expiry of the said period if the cessation of payments is continuing. The debtor retains the right to apply for the opening of judicial reorganisation, judicial liquidation or professional rehabilitation.	Conciliation proceedings are extended by five months provided they were ongoing on 12 March 2020 or put in place until 23 June 2020. Until 23 August 2020, safeguard and reorganisation plans may be extended for a period up to five months upon request of the plan performance supervisor, or for a period up to a year upon the request of the public prosecutor. After 23 August 2020 and during the six months thereafter, safeguard and reorganisation plans may be extended for a year upon request of the plan performance supervisor or the public prosecutor. Irrespective of the abovementioned extensions, the tribunal may extend the duration of a plan for a maximum period of two years upon the request of the public prosecutor or the plan performance supervisor submitted until 31 December 2020. Until 23 June 2020 (inclusive), the duration of observation period, of safeguard and reorganisation plans, of the preservation of activity, of the simplified judicial liquidation are extended for a period of three months.		

Other issues

Jurisdiction	Regulatory relief measures taken at national level
France	**Short selling** On 17 March 2020, the Autorité des Marchés Financiers (AMF) issued a prohibition of creation of any new short selling position and a prohibition of increase in any existing short selling position for any person domiciled in France or abroad, provided that such position relates to a share admitted to trading on a French trading platform and that the security is subject to the AMF jurisdiction. The measure applied from 18 March 2020 at midnight until 18 May 2020 at midnight. **Reporting by management firms** On 18 March 2020, the AMF requested to only communicate changes and request subject to prior consent of the AMF and to postpone information notices. **Postponement of reporting obligations** AMF announced that deadlines for remittance of the annual compliance report by investment services compliance officer and questionnaire relating to asset protection were postponed. L'Autorité de Contrôle Prudentiel et de Résolution (ACPR) also postponed some of the banks' and insurance companies' reporting obligations.

10. Germany

Dirk Bliesener, Hengeler Müller, Dirk.Bliesener@hengeler.com

Completion date: 02 October 2020

Emergency funding					
State-guaranteed loans					
Jurisdiction	**Size of programme**	**Terms of guarantee**	**Eligible borrowers**	**Terms of loans**	**Territorial scope/cross-border issues**
Germany	**KfW Special Program 2020** (*Sonderprogramm 2020*) **KfW Program 855** (*Sonderprogramm 'Direktbeteiligung für Konsortialfinanzierung'*) Unlimited size	Existing loan programs provided by the state-owned development bank KfW are expanded. • Risk assumption (guarantee) in respect of commercial loans up to 80 per cent (large enterprises) or 90 per cent (SMEs); • Direct financing up to 80 per cent of syndicated loan facility.	• SMEs • Larger enterprises with no limit on turnover.	Risk assumption: • generally limited to €100m; • up to six years; • only for working capital purposes. Direct financing: • no limit; • up to six years; • only for working capital purposes.	• Restricted to German operations of domestic or foreign borrowers
Germany	**WSF Guarantees and subordinated loans** Up to €400bn (for guarantees) and up to €100bn (for subordinated loans, joint cap together with equity recapitalisations).	New Economic Stabilisation Fund (*Wirtschaftsstabilisierungsfonds*, WSF) founded as separate fund of the Federal Republic of Germany administered by the Federal Ministry of Finance and the German debt management agency • Guarantees for new senior debt instruments up to 90 per cent of risk; • Subordinated loans; • Other measures include equity recapitalisation; • Programmes have been approved by the European Commission.	Companies satisfying two out of three criteria: 1. balance sheet total > €43m; 2. annual turnover > €50m; and 3. > 249 employees (annual average). No financial institutions.	According to European Commission approval: **Guarantees** 1. the underlying loan amount is limited to what is needed to cover its liquidity needs for the near future; 2. the guarantees will only be provided until the end of this year; 3. the guarantees are limited to a maximum duration of six years; 4. guarantee fee premiums comply with the minimum levels set by European Commission. **Subordinated loans** 1. cover working capital and investment needs with a limited maturity and size; 2. are limited in time; 3. provide for adequate remuneration in line with the conditions set by European Commission.	No formal restriction to German companies Purpose of funding targeted to address liquidity needs and strengthen capital base for companies whose failure would have a material effect on the (domestic) economy, technological sovereignty, supply security, critical infrastructure and labour market

Sectorial support plans					
Jurisdiction	**SMEs**	**Supply chains**	**Export credit**	**Specific industries**	**Other**
Germany	KfW Instant Loan (*Schnellkredit*) program, up to €500k loan amount (10–50 employees) or €800,000 loan amount (above 50 employees) Size : €25bn Grants under €24.6bn bridge assistance program (*Überbrückungshilfe*) to cover revenue losses at SMEs from June to August 2020 (Phase 1) and from September to December 2020 (Phase 2)	New €30bn guarantee program for supplier credit (federal government indemnifies credit insurers)	Extension of export credit guarantees to EU and certain OECD countries (up to 24 months)	Food sales in restaurants: VAT reduction from 19 per cent to 5 per cent (1 July 2020 through 31 December 2020) and 7 per cent (1 January 2021 through 31 December 2021)	€2bn start-up assistance program One-time grants for micro businesses (€9,000 with up to five employees, €15,000 with up to ten employees) Employee short-term allowance program (*Kurzarbeitergeld*) until 31 December 2021, up to 87 per cent of wages after seventh month and full reimbursement of social security contributions to employers

Relaxation of regulatory requirements for lenders	
Jurisdiction	
Germany	Quick fix: BaFin allows lenders under its supervision for which Article 500b CRR is applicable (for example less significant institutions (LSIs)), to make use of this temporary relief for coins and Euro banknotes as well as assets representing claims on central banks of the Eurosystem that relate to the implementation of monetary policies, specifically exposures that relate to deposits held in the deposit facility as well as balances held on reserve accounts, including funds held in order to meet minimum reserve requirements. Problem loans: BaFin is currently suspending the applicability of BTO 1.2.5, item 3 of MaRisk; borrowers can be granted loans even if, due to the Covid-19 crisis, their debt-servicing capacity cannot be ensured at present or will essentially depend on the further course of the crisis. Front/back office: In case of personnel shortage due to the Covid-19 crisis, a switch of staff between front and back offices will be tolerated by BaFin. In addition, a far-reaching privilege regarding the liability of lenders under existing (tort) law (Section 826 of the German Civil Code) was provided.

Stay/rescheduling of statutory time periods				
Jurisdiction	**Length of protected period**	**Scope (time bar, registration, unenforceability, inadmissibility, expiry, automatic discontinuance of action, enforcement, voidness, etc) and carve outs**	**Impact on insolvency and work outs**	**Territorial scope/cross-border issues**

Stay/rescheduling of contractual obligations

Jurisdiction	Length of protected period	Scope (penalty payments, penal clauses, etc) and carve outs	Can be waived?	Combines with *force majeure*/frustration/ unforeseeability?	Territorial scope/cross-border issues
Germany	**Consumer credit** A legal deferral of payment arrangement was introduced. The deferral covers all the lender's claims for repayment, interest or principal payments due between 1 April 2020 and 30 June 2020. **General moratorium** for consumer contracts (excluding loans, leases, emploments agreements) until 30 June 2020				

Temporary changes to insolvency and work outs framework

Jurisdiction	Freeze of assessment of cessation of payments	Freeze/rescheduling of insolvency applications	Extension of time periods within insolvency proceedings (plan, etc)	Other	Impact on restructurings
Germany		The duty of managing directors to file a petition for the opening of insolvency proceedings (Section 15a InsO) is suspended (until 31 December 2020) in case of over-indebtedness unless insolvency situation is not due to the effects of Covid-19		In order to protect managing directors from personal liability and to widen their scope of action, payment prohibitions applicable under existing law during a period of imminent insolvency are suspended.	New loans during suspension period for insolvency filings are not considered undue delay of bankruptcy proceedings

Other issues

Jurisdiction	Regulatory relief measures taken at national level				

11. Ghana

Olusine Sipasi, Aelex, osipasi@aelex.com

Completion date: 15 September 2020

Emergency funding

State-guaranteed loans

Jurisdiction	Size of programme	Terms of guarantee	Eligible borrowers	Terms of loans	Territorial scope/cross-border issues
Ghana	GHS 600m	The loans must be insured by insurance companies	Micro, small and medium scale enterprises. They could be in the form of limited liability companies, sole proprietorships, partnerships, joint ventures. • The business must be located in Ghana. • Enterprise must have run for at least six months from March 2020 • Must be registered with the Registrar General's Department and the District Assembly • Must have a Tax Identification Number • Evidence that the business has been adversely affected by Covid-19 • Businesses that are producing goods or services that support the fight against Covid-19 • Member of an association, a trade group or registered with the National • Board for Small Scale Industries (NBSSI) • Business between 1-99 employees must belong to one of the following sectors: healthcare and pharmaceuticals, manufacturing, agri and agro-businesses including food and beverages, water and sanitation/PPEs, tourism and • hospitality, education, textiles and garments, commerce/trade, services.	Interest rate: 5 per cent moratorium up to five years Repayment period: two to three years Processing time: up to two weeks from completion of application	Within Ghana, and covering all 178 districts in the 16 regions of the country

Sectorial support plans

Jurisdiction	SMEs	Supply chains	Export credit	Specific industries	Other
Ghana	Government of Ghana designed the Coronavirus Alleviation Programme Business Support Scheme (CAP BuSS) to support SMEs with GHS 600m	Disruption of global supply chains have presented an opportunity to build local capacity. Under its One District One Factory Programme, Ghana supports companies in the garments and textiles, processed foods, fruit juices and non-alcoholic beverages, pharmaceuticals and personal care product industries.	Although there are no specific support plans for exporters in Ghana, they may qualify under the Coronavirus Alleviation Programme.	**Banking sector responses by the Bank of Ghana** • Monetary policy rate lowered from 16 per cent to 14.5 per cent; • Primary Reserve Requirement lowered from 10 per cent to 8 per cent; • Reduced capital adequacy requirement from 13 per cent to 11.5 per cent; • Providing a syndicated facilities of GHS 3bn to support industry, especially in the pharmaceutical, service, hospitality and manufacturing sectors; • Six-month moratorium on principal payments for selected business; and • Reduction of interest rates by 2 per cent. **Health** Life insurance package of GHS 10.3m for health personnel. Waiver of income tax for 137,000 health workers for 3 months. Frontline health workers received an allowance of 50 per cent of their basic salary.	Government allocated GHS 100m in the 2020 budget to support Covid-19, GHS 1bn to support electricity relief, GHS 122m for fumigation and management of landfill sites, and GHS 150m for procurement of logistics and fumigation towards re-opening of schools. Government absorbed the cost of electricity and water services for April to June 2020.

Relaxation of regulatory requirements for lenders

Jurisdiction	
Ghana	The Bank of Ghana reduced the capital adequacy requirement for banks to 11.5 per cent, and primary reserve requirement to 8 per cent.

Stay/rescheduling of statutory time periods

Jurisdiction	Length of protected period	Scope (time bar, registration, unenforceability, inadmissibility, expiry, automatic discontinuance of action, enforcement, voidness, etc) and carve outs	Impact on insolvency and work outs	Territorial scope/cross-border issues
Ghana	One month Two months extension	Filing of self-assessment returns Filing of annual returns was due on 30 June 2020 instead the usual April 2020. Accordingly, the month of June was the annual tax month instead of April 2020.	Allowed firms to focus on survival Taxpayers who redeemed all their outstanding debts due Ghana Revenue Authority by 30 June 2020.	Countrywide

Stay/rescheduling of contractual obligations					
Jurisdiction	**Length of protected period**	**Scope (penalty payments, penal clauses, etc) and carve outs**	**Can be waived?**	**Combines with force majeure/frustration/ unforeseeability?**	**Territorial scope/cross-border issues**
Ghana	Republic Bank Ghana announced a moratorium of up to 6 months	Mortgages, personal loans	Automatic waivers for three months on overdrawn accounts	Yes	Ghana

Temporary changes to insolvency and work outs framework					
Jurisdiction	**Freeze of assessment of cessation of payments**	**Freeze/rescheduling of insolvency applications**	**Extension of time periods within insolvency proceedings (plan, etc)**	**Other**	**Impact on restructurings**
Ghana	Ghana obtained a new Act in the wake of the pandemic: the Corporate Restructuring and Insolvency Act, 2020. Under the Act, a company that is affected can benefit from temporary management of its affairs with a view to survival.			Bank of Ghana reduced the monetary policy rate by 150 basis points, reduced reserve requirements for banks and specialised deposit-taking institutions (SDIs), reduced capital conservation buffer maintained by banks, reduced provisioning requirements for certain types of loans, and the purchase of government bonds to support economic recovery efforts.	The release of significant liquidity into the banking system, allowing banks to account for restructured customer loans as a result of the pandemic, and granting new loans to customers in industries that have been at the forefront of helping to fight the pandemic.

Other issues					
Jurisdiction	**Regulatory relief measures taken at national level**				
Ghana	Tax waivers on personal emoluments for health workers, donations and contributions made toward fighting Covid-19 to be allowed as deductible expense by the Ghana Revenue Authority (GRA). The GRA is also granting a waiver of penalties to taxpayers as a result of the Covid-19 pandemic.				

12. India

Aditya Bhargava, Phoenix Legal, aditya.bhargava@phoenixlegal.in

Completion date: 26 September 2020

Emergency funding					
State-guaranteed loans					
Jurisdiction	**Size of programme**	**Terms of guarantee**	**Eligible borrowers**	**Terms of loans**	**Territorial scope/cross-border issues**
Emergency Credit Line Guarantee Scheme[21] (ECLGS)					
Republic of India	Guarantee of up to INR 300,000 Crore[22] (approximately. US$40.7bn) to be provided by National Credit Guarantee Trustee Company Limited (NCGTC)	Applicable until 31 October 2020 or until guarantee(s) up to INR 300,000 Crore have been provided. The guarantee cover by NCGTC would be 100 per cent of the amount sanctioned by the member lending institutions[23] (MLIs) under the ECLGS. No guarantee fee will be charged. The guarantee can be invoked on classification of an account as an NPA.	All Business Enterprises[24]/Micro, Small & Medium Enterprises (MSMEs)[25]/individuals (availing loans for certain specified business purposes) with combined outstanding loans across all MLIs of up to INR 50 Crore (US$6.7m approximately) as on 29 February 2020. Only existing customers of the MLIs are eligible under ECLGS. No eligible borrower shall have any overdues for more than 60 days past due as on 29 February 2020.	Loans may be in the form of additional working capital term loan facility (in case of banks and financial institutions), and additional term loan facility (in case of non-banking financial companies (NBFCs)). Loans provided by MLIs can be up to 20 per cent of the total outstanding loans of the relevant eligible borrower across all MLIs. If an MLI intends to provide a loan exceeding its proportional 20 per cent limit, a no-objection certificate would be required from the other relevant MLI whose share is being reduced. Interest rate for loans under ECLGS cannot exceed 9.25 per cent per annum (for banks and financial institutions) and 14 per cent per annum (for NBFCs). No processing fee and penal interest to be charged on pre-approved loans. Loans should have a tenure of four years with a moratorium on principal payments for the first year. However, prepayment is permissible (without any prepayment charges). The loan under ECGLS can be secured by a second ranking charge on the assets secured for the existing facility with the relevant bank/financial institution/NBFC.	ECLGS is available only to Indian banks, financial institutions and NBFCs for providing loans to Indian borrowers. No cross-border transactions are possible under ECLGS.

21 Refer to the Operational Guidelines on the Emergency Credit Line Guarantee Scheme of the Government of India (updated as on 14 September 2020).

22 1 Crore = 10m INR.

23 The term 'Member Lending Institutions' includes banks, financial institutions and non-banking financial companies (that have been in operation for two years as of 29 February 2020).

24 Business enterprises constituted as proprietorship, partnership, registered company, trusts and limited liability partnerships are eligible under ECLGS.

25 MSMEs constituted as proprietorship, partnership, registered company, trusts and limited liability partnerships are eligible under ECLGS.

Partial Credit Guarantee Scheme[26] (PCG Scheme)					
Republic of India	Guarantee up to INR 10,000 Crore[27] (US$1.35bn) to be provided by the Government of India (acting through the Small Industrial Development Bank of India or any other person in accordance with the PCG Scheme).	The guarantee is to be provided to public sector banks (PSBs) at a portfolio level. The portfolio of a PSB to be eligible for receiving the guarantee benefits under the PCG Scheme must originated by 19 November 2020. The guarantee shall be a first loss guarantee up to 20 per cent of the face value of the portfolio. The guarantee is co-terminus with the tenure of the non-convertible debentures (NCDs) and/or commercial papers (CPs) purchased by the PSB under the PCG Scheme. Guarantee fee at 0.25 per cent of the aggregate face value of the NCDs/CPs is payable by the PSB.	All NBFCs, all non-banking financial company - micro finance institutions (NBFC-MFIs), and housing finance companies (HFCs) are subject to certain conditions, such as: • the relevant NBFC, NBFC-MFI or HFC should not be a government owned entity; and • the relevant NBFC, NBFC-MFI or HFC should not have NPAs of more than 6 per cent as of 31 March 2019.	A PSB can invest up to 20 per cent of its non-statutory liquidity ratio investments in NCDs and CPs under the PCG Scheme. A PSB may subscribe to the NCDs and CPs issued by an eligible borrower only if the aggregate amount of debt securities (in form of bonds, NCDs and CPs) issued by such borrower does not exceed 1.25 times of the aggregate debt liability of such borrower maturing over a period of six months from the date of allotment of NCDs and CPs under the PCG Scheme. The rated NCDs/CPs should have a tenure of 9-18 months.	The PCG Scheme is applicable only for subscription by PSBs of NCDs/CPs issued by NBFCs, NBFC-MFIs and HFCs. No cross-border transactions are possible under the PCG Scheme.
Credit Guarantee Scheme for Subordinate Debt (CGSSD) under the Distressed Assets Fund – Subordinate Debt for Stressed MSMEs[28] (MSME Scheme)					
Republic of India	Guarantee up to INR 20,000 Crore (US$2.7bn) to be provided by Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE).	The tenure of the guarantee will be equal to the tenure of the subordinated facility provided under the MSME Scheme or 10 years, whichever is earlier. A guarantee of up to 90 per cent would be provided by CGTMSE and 10 per cent by the promoter of the relevant MSME[29] (promoter). Guarantee fee of 1.5 per cent per annum of the guaranteed amount shall be paid by the relevant scheduled commercial bank (SCB) to the CGTMSE. The relevant SCB may require the eligible borrower to refund/reimburse the guarantee fee. The guarantee can be invoked on classification of an account as NPA.	Promoter(s) of MSME(s) which are (1) stressed accounts as on April 30, 2020, (2) eligible for restructuring in accordance with the guidelines prescribed by the RBI, and (3) can become commercially viable as per the assessment of the lending institutions.	The financial assistance under the MSME Scheme shall be provided by SCBs by way of a subordinated debt facility extended to the promoter(s) up to 15 per cent of the promoter's stake in the MSME or INR 7.5m (US$101,787) whichever is lower. The subordinated debt provided by an SCB to promoter(s) must be utilised to infuse equity into the relevant MSME (including by way of subordinated debt, equity or quasi-equity). The tenure of the subordinated debt facility will be as per the directions of the SCB, subject to a maximum of 10 years. There will be a moratorium of a maximum period of 7 years on the principal payments, and the complete repayment of the principal amounts would have to be made within 3 years from the completion of the moratorium period. 1. Interest on the subordinated debt facility must be paid monthly. 2. Prepayment is permitted without any additional charge/penalty. 3. The subordinated debt facility will be secured by a second ranking charge on the assets secured for the existing facility provided by the SCB.	The MSME Scheme is available only to SCBs for providing loans to the Promoters. No cross-border transactions are possible under the MSME Scheme.

26 Refer to the scheme dated May 20, 2020 titled 'Extended Partial Credit Guarantee Scheme' offered by Government of India (GoI) to Public Sector Banks (PSBs) for (1) purchase of pooled assets having a rating of BBB+ or above from financially sound Non-Banking Financial Companies (NBFCs)/Housing Finance Companies (HFCs), and (b2 Portfolio Guarantee for purchase by PSBs of Bonds or Commercial Papers (CPs) with a rating of AA and below (including unrated paper with original/initial maturity of up to one year issued by NBFCs/HFCs/MFIs (in case of MFIs, Bonds/CPs with MFR rating equivalent), bearing reference number F. no. 17/36/2019-IF-I issued by the Department of Financial Services, Ministry of Finance, Government of India.

27 The PCG Scheme is also applicable to purchase of a pool of assets by a PSB from an NBFC and for subscription by PSBs of NCDs and CPs issued by NBFCs, non-banking financial company - micro finance institutions and housing finance companies. The threshold of INR 10,000 Crore is applicable cumulatively for both the purchase of assets and investments in NCDs and CPs.

28 Refer to the RBI's circular dated July 1, 2020 on 'Distressed Assets Fund - Subordinate Debt for Stressed MSMEs' read with the circular dated 24 June 2020 issued by the Credit Guarantee Fund Trust for Micro and Small Enterprises on 'Credit Guarantee Scheme for Subordinate Debt for stressed MSMEs'.

29 The term 'MSME' means medium enterprises, micro enterprises and the small enterprises identified in accordance with the Micro, Small and Medium Enterprises Development Act, 2006.

Sectorial support plans

Jurisdiction	SMEs	Supply chains	Export credit	Specific industries	Other
Republic of India	Please refer to the ECLGS and the MSME Scheme. **MSME sector – Restructuring of Advances[30] (MSME Restructuring Circular)** The RBI has permitted one-time restructuring of loans to MSMEs classified as 'standard' without a downgrade in the asset classification subject to the following: • The aggregate exposure to the MSME does not exceed INR 25 Crore (US$3.39m approximately) as on 1 March 2020. • The loan account of the MSME was a 'standard asset' as on 1 March 2020. • The restructuring of the loan account of the MSME is implemented by 31 March 2021.	Please refer to the ECLGS, the MSME Scheme and the MSME Restructuring Circular.	Please find below a few relaxations in the existing regulations. **Realisation and Repatriation of Export Proceeds[31]** The time period of realisation and repatriation to India of the amount representing the full export value of goods or software or services exported was extended from nine months to 15 months from the date of export, for the exports made up to or on 31 July 2020. No change has been implemented for the period of realisation and repatriation to India of the full export value of goods exported to warehouses established outside India. **Time period for export credit[32]** The maximum permissible period of pre-shipment and post-shipment export credit sanctioned by banks has been increased from one year to 15 months, for disbursements made up to 31 July 2020.	**TLTRO** The RBI had conducted Targeted Long-Term Repo Operations (TLTRO) at the policy repo rate (approximately 4 per cent) with banks, for onward lending by banks to various institutions. **Special liquidity scheme for NBFCs/HFCs:[33]** The Government of India has launched a scheme of INR 30,000 Crore (US$4bn) wherein a special purpose vehicle has been set up to purchase short-term investment grade CPs and NCDs with a residual maturity of not more than three months issued by eligible NBFCs (including NBFC-MFIs) and HFCs. All investments/purchases can be made until 30 September 2020.	Not applicable

Relaxation of regulatory requirements for lenders

Jurisdiction	
Republic of India	**Covid-19 Regulatory Package (27 March 2020)[34] and Covid-19 Regulatory Package -–Asset Classification and Provisioning (17 April 2020)** To mitigate the effect of the Covid-19 pandemic, the RBI, inter alia, has permitted: • all banks, All-India Financial Institutions, NBFCs and HFCs (collectively, lending institutions) to provide a moratorium of three months by deferment of payment of all instalments in respect of all term loans falling due between 1 March 2020 and 31 May 2020; and • all lending institutions to defer the recovery of interest applied in respect of all working capital facilities during the period between 1 March 2020 and 31 May 2020. Any relief provided would not be treated as a concession or change a in terms and conditions of loan agreements due to financial difficulty of the borrower, and shall not result in asset classification downgrade.

30 Refer to the RBI's circular dated 6 August 2020 on 'Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances'.

31 Refer to the RBI's circular dated 1 April 2020 on 'Export of Goods and Services - Realisation and Repatriation of Export Proceeds-Relaxation'.

32 Refer to the RBI's circular dated 23 May 2020 on 'Pre-shipment and Post-shipment Export Credit – Extension of Period of Advance'.

33 Refer to the RBI's circular dated 1 July 2020 on 'Special liquidity scheme for NBFCs/HFCs'.

34 Refer to the RBI's circular dated 27 March 2020 on 'Covid-19 -Regulatory Package'.

	Covid-19 Regulatory Package (23 May 2020)[35] To mitigate the effect of the Covid-19 pandemic, the RBI, *inter alia*, further permitted: • all lending institutions to provide a further moratorium of three months by deferment of payment of all instalments in respect of all term loans falling due between 1 June 2020 and 31 August 2020; and • all lending institutions to defer the recovery of interest applied in respect of all working capital facilities during the period between 1 June 2020 and 31 August 2020. Any relief provided in accordance with paragraphs above will not be treated as a concession granted due to financial difficulty of the borrower, and shall not result in asset classification downgrade. **Resolution framework for Covid-19-related stress (6 August 2020)**[36] *Resolution of stress in personal loans* • Borrower accounts which were classified as 'standard', but not in default for more than 30 days with the lending institution as on March 1, 2020 are eligible for resolution under the 6 August circular. Resolution under the 6 August circular may be invoked by 31 December 2020 and must be implemented within 90 days from the date of invocation. • The eligible accounts shall continue to be classified as 'standard' till the date of invocation. • Resolution plans may, inter alia, include rescheduling of payments, conversion of any interest accrued, or to be accrued, into another credit facility, or, granting of moratorium for a maximum of two years based on an assessment of income streams of the borrower. *Resolution of stress in loans other than personal loans*[37] • Borrower accounts which were classified as 'standard', but not in default for more than 30 days as of 1 March 2020 are eligible for resolution under the 6 August circular. Resolution under the 6 August circular may be invoked by 31 December 2020 and must be implemented within 180 days from the date of invocation. • The eligible accounts shall continue to be classified as 'standard' till the date of invocation. • In all cases involving multiple lending institutions, where the resolution process is invoked and a resolution plan has to be implemented, the inter creditor agreement must to be entered into by all lending institutions within 30 days from the date of invocation. If the inter-creditor agreement is not executed by lending institutions representing at least 75 per cent by value of the total outstanding credit facilities and at least 60 per cent by number within 30 days from invocation of resolution under the 6 August circular, such invocation will be treated as lapsed and cannot be invoked again. • All lending institutions shall consider certain financial parameters specified by the expert committee while finalising the resolution plan. The sector-specific thresholds for such financial parameters have also been prescribed by the RBI.[38] • The resolution plan may involve any action as provided in the Resolution Framework including sanctioning of additional credit facilities, extension of the tenure of the loan up to 2 years (with or without a moratorium), or conversion of debt into equity. **Voluntary Retention Route (VRR) for foreign portfolio investors (FPIs) (22 May 2020)**[39] The FPIs are required to invest at least 75 per cent of their 'committed portfolio size' (CPS) within the months from the date of allotment of investment limits. The FPIs that have been allotted investment limits between 24 January 2020 and 30 April 2020 have been provided an additional time of three months to make the above investment. **Exposure to a group of connected counterparties (23 May 2020)**[40] The sum of all exposures of a bank to a group of connected counterparties must not be higher than 25 per cent of the bank's available eligible capital base at all times. The RBI has, until 30 June 2021, increased the aforementioned threshold to 30 per cent. **Minimum daily maintenance of the cash reserve requirement (26 June 2020)**[41] The RBI permitted a reduction in the requirement of the minimum daily maintenance of the Cash Reserve Ratio (CRR) by scheduled banks from 90 per cent of the prescribed CRR to 80 per cent until 25 September 2020. **Marginal standing facility (26 June 2020)**[42] Under the marginal standing facility scheme of the Reserve Bank of India (RBI), scheduled banks can borrow overnight at their discretion up to 2 per cent of their net demand and time liabilities. This threshold has been increased by the RBI from 2 per cent to 3 per cent until 30 September 2020.

35 Refer to the RBI's circular dated 23 May 2020 on 'Covid-19 – Regulatory Package'.

36 Refer to the RBI's circular dated 6 August 2020 on 'Resolution Framework for Covid-19-related Stress'.

37 The 6 August Circular does not apply to certain classes of borrowers such as, *inter alia*, MSMEs with an aggregate exposure of less than INR 25 Crore and financial service providers.

38 Refer to the RBI's circular dated 7 September 2020 on 'Resolution Framework for Covid-19-related Stress – Financial Parameters'.

39 Refer to the RBI's circular dated 22 May 2020 on '''Voluntary Retention Route' (VRR) for Foreign Portfolio Investors (FPIs) investment in debt - relaxations'.

40 Refer to the RBI's circular dated 23 May 2020 on 'Large Exposures Framework – Increase in Exposure to a Group of Connected Counterparties'.

41 Refer to the RBI's circular dated 26 June 2020 on 'Section 42(1) of the Reserve Bank of India Act, 1934 - Change in Minimum Daily Maintenance of the Cash Reserve Requirement'.

42 Refer to the RBI's circular dated 26 June 2020 on 'Section 24 of the Banking Regulation Act, 1949 – Maintenance of Statutory Liquidity Ratio (SLR) – Marginal Standing Facility (MSF)'.

Stay/rescheduling of statutory time periods

Jurisdiction	Length of protected period	Scope (time bar, registration, unenforceability, inadmissibility, expiry, automatic discontinuance of action, enforcement, voidness, etc) and carve outs	Impact on insolvency and work outs	Territorial scope/cross-border issues
COVID19 Regulatory Package – review of resolution timelines under the prudential framework on resolution of stressed assets (17 April 2020 and 23 May 2020)[43]				
Republic of India	1 March 2020 to 31 August 2020	Pursuant to the Resolution Framework, *inter alia*, on occurrence of any default by a borrower, all banks44 are required to review the borrower account and decide on the resolution strategy including the nature of resolution process within 30 days of such default (Review Period). The resolution process is to be implemented within 180 days from the end of the Review Period. The RBI has: • excluded the period from 1 March 2020 to 31 August 2020 from the scope of the Review Period; and • extended the time period for resolution was extended by 180 days for accounts for which the Review Period had ended but were within the 180-day resolution period.	The time period for implementing the resolution process under the Resolution Framework by banks has been extended by 180 days to, *inter alia*, reduce the stress on the borrower in view of the Covid-19 pandemic.	No cross-border impact as only Indian financial institutions are governed by this circular and the Resolution Framework.
Limitation Period[45]				
Republic of India	Generally, from 15 March 2020 until further orders from the Supreme Court of India or until the lapse of a specified time period from the lifting of the lockdown.	The Supreme Court has extended limitation periods prescribed under all general and special laws in India with effect from 15 March 2020 until further orders of the Supreme Court. Further, the Supreme Court has extended the scope of limitation in respect of the following: • *Arbitration and Conciliation Act, 1996*: Extended from 15 March 2020 until further orders of the Supreme Court. If the limitation period is due to expire after 15 March 2020, then the period from 15 March 2020 to the date the applicable lockdown is lifted shall be considered to be extended for a period of 15 days after the lifting of lockdown in the jurisdictional area where the dispute lies or where the cause of action arises. • *Section 138 of the Negotiable Instruments Act, 1881*: • Extended from 15 March 2020 until further orders of the Supreme Court. If the limitation period is due to expire after 15 March 2020, then the period from 15 March 2020 to the date the applicable lockdown is lifted shall be considered to be extended for a period of 15 days after the lifting of lockdown in the jurisdictional area where the dispute lies or where the cause of action arises.	Not applicable	The time period for filing of any proceedings under Indian law in the relevant courts and tribunals in India (including by any entity resident outside India) has been extended.
Corporate Insolvency Resolution Process				
Republic of India	Please refer the section on 'Scope'.	The period of lockdown ordered by the Central Government and the state governments where the registered office of the corporate debtor is located can be excluded for the purpose of determining the period for resolution process under the (Indian) Insolvency and Bankruptcy Code, 2016 (IBC).[46] The period of lockdown imposed by the Central Government in relation to Covid-19 can be excluded for the purposes of the timelines prescribed under the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 for any activity, in relation to a corporate insolvency resolution process, that could not be completed due to such lockdown.[47]	The time period for the resolution plan/ process is extended by the period of the lockdown that is applicable/relevant to the resolution process.	The time period for resolution process (including in relation to any proceedings initiated by any entity resident outside India, or where any entity resident outside India is a 'creditor' under the IBC) is extended by the period of the lockdown that is applicable/relevant to the resolution process.

---

43 Refer to the RBI's circular dated 17 April 2020 on 'COVID19 Regulatory Package – Review of Resolution Timelines under the Prudential Framework on Resolution of Stressed Assets', read with the RBI's circular dated 23 May 2020 on 'COVID19 Regulatory Package – Review of Resolution Timelines under the Prudential Framework on Resolution of Stressed Assets'.

44 The term 'banks' includes all SCBs, All Indian Financial Institutes and NBFCs.

45 Refer to the orders of the Supreme Court dated 23 March 2020, 6 May 2020 and 10 July 2020 in the matter 'In Re: Cognizance For Extension Of Limitation', Suo Moto Writ (Civil) No. 3/2020.

46 Refer to the order of the National Company Law Appellate Tribunal, New Delhi dated 30 March 2020 in Suo Moto - Company Appeal (AT) (Insolvency) No. 01 of 2020.

47 Refer to Regulation 40C of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.

Stay/rescheduling of contractual obligations

Jurisdiction	Length of protected period	Scope (penalty payments, penal clauses, etc) and carve outs	Can be waived?	Combines with *force majeure*/frustration/ unforeseeability?	Territorial scope/cross-border issues
Republic of India	1 March 2020 to 31 August 2020	Please refer to the section 'Relaxation of regulatory requirements for lenders'.	Not applicable	Not applicable	These circulars are applicable only to the lending institutions, and have no impact on cross-border transactions.

Temporary changes to insolvency and work outs framework

Jurisdiction	Freeze of assessment of cessation of payments	Freeze/rescheduling of insolvency applications	Extension of time periods within insolvency proceedings (plan, etc)	Other	Impact on restructurings
Republic of India	Not applicable	The IBC has been amended to restrict the filing of any corporate insolvency resolution process against any corporate debtor for an initial period of six months (extendable up to one year) from 25 March 2020 for any defaults occurring after 25 March 2020. This period has been further extended by the notification dated 24 September 2020 to nine months from 25 March 2020 for any defaults arising on or after 25 March 2020.	Please refer to section 'Stay/ rescheduling of statutory time periods'.	Not applicable	The developments impact the commencement/initiation of any proceedings under the IBC in respect of insolvency (which may lead to restructuring) in respect of any default occurring for a defined period after 25 March 2020.

Other issues

Jurisdiction	Regulatory relief measures taken at national level
Not applicable	Not applicable

13. Ireland

Josh Hogan, McCann FitzGerald, Josh.Hogan@mccannfitzgerald.com

Completion date: 15 September 2020

Emergency funding					
State-guaranteed loans					
Jurisdiction	**Size of programme**	**Terms of guarantee**	**Eligible borrowers**	**Terms of loans**	**Territorial scope/cross-border issues**
Ireland	The Covid-19 Credit Guarantee Scheme (the Scheme) is a €2bn credit guarantee scheme aimed at small and medium-sized enterprises (SMEs) and some larger Irish-based businesses, including primary producers, offering a partial government guarantee in respect of up to 80 per cent of credit provided by a 'participating finance provider' to a 'participating enterprise'. The maximum aggregate amount of credit the state can issue guarantees in respect of is €2bn and the state's maximum aggregate potential liability under such guarantees is €1.6bn.	The Scheme offers a partial government guarantee of 80 per cent. In order to participate in the Scheme, borrowers are required to make a guarantee premium payment to the Minister for Business, Enterprise and Innovation. The Scheme operates under the European Commission's State Aid Temporary Framework and will be available until 31 December 2020.	The Scheme applies to a broader range of potential borrowers (participating enterprises) than existing credit guarantee schemes, which are limited to SMEs. To qualify as a participating enterprise, a person must either: 1. meet the SME criteria for the existing credit guarantee schemes, namely: a)be established in the state, employ fewer than 250 persons (whether or not in the state), and b)have an annual turnover not exceeding €50m, or an annual balance sheet total not exceeding €43m; or 2. be established in the state and employ not more than 499 persons (whether or not in the state). Further, the Scheme is only available to viable businesses who have or expect a reduction of 15 per cent in turnover or profitability due to the Covid-19 pandemic. Certain sectors, such as real estate development activities, are not eligible for the Scheme.	Loans provided under the Scheme may range from €10,000 to a maximum €1m, for terms of up to 5.5 years. Under the Scheme, loan amounts up to €250,000 are available unsecured (unless it is a requirement of the product feature). Loan amounts greater than €250,000 may be secured, however a personal guarantee may only be sought in specified circumstances. The amount of credit that can be obtained by a borrower under the Scheme shall not exceed: • double the borrower's annual wage bill for 2019, or for the last year available. In the case of a borrower created on or after January 2019, the maximum loan amount must not exceed the estimated annual wage bill for the first two years in operation, or • 25 per cent of the borrower's total turnover in 2019. In limited cases, and with appropriate justification, a borrower may apply to increase the amount of the loan. Capital or interest moratoria up to 12 months are possible under the Scheme at the discretion of the participating finance provider. Loans under the Scheme must be used for working capital/liquidity or investment purposes. In some circumstances, the Scheme allows for the refinancing and rollover of debt incurred due to the Covid-19 pandemic. Interest rates vary depending on the particular lending product, however the rates will be lower than market rates.	Borrowers must be established in the state in order to participate in the Scheme.

Sectorial support plans[48]

Jurisdiction	SMEs	Supply chains	Export credit	Specific industries	Other
Ireland	There has been a range of financial supports launched for SME's including: **Covid-19 Credit Guarantee Scheme** As discussed above. **Microfinance Ireland Covid-19 Business Loan** A government initiative to support microenterprises impacted by the Covid-19 pandemic, offers loans ranging between €5,000 and €25,000 to eligible micro-enterprises. • Viable micro, small and medium-sized enterprises (SME) and small mid-cap enterprises who meet the eligibility requirements may apply for loans of €25,000 up to €1.5m under the SCBI Covid-19 Working Capital Scheme. • The Sustaining Enterprise Fund of up to €180m is available to eligible companies that have been adversely impacted by the Covid-19 pandemic. Eligible smaller companies can apply for a short term working capital injection (up to €50,000) under the Sustaining Enterprise Fund for Small Enterprise. • Grants of between €4,000 and €25,000 are available to eligible enterprises who have been affected by Covid-19 under the Restart Grant Plus.	While we are not aware of any governmental supports directed at supply chains currently in operation, in its National Action Plan in response to Covid-19, the government considers measures to tackle supply chain challenges, specifically in the food supply, transport and retail and manufacturing sectors. Members of the Banking and Payments Federation Ireland, (an industry body representing Irish and international banks, non-bank mortgage lenders and certain credit servicing firms and other regulated financial services providers) are making available various working capital facilities and supply chain supports to businesses.	While we understand that other EU Member States are offering export credit support, we are not aware of any government export credit support initiatives in Ireland.	Various financial supports, including grants and vouchers, and guidance are being offered by industry bodies and government agencies within specific sectors, including the tourism and hospitality, arts and childcare services sectors.	Not applicable

Relaxation of regulatory requirements for lenders

Jurisdiction	
Ireland	While Ireland's financial services regulator, the Central Bank of Ireland (the CBI), has said that it expects regulated entities to continue to meet their regulatory and statutory obligations, it has over the past couple of months introduced a degree of regulatory supervisory flexibility vis-à-vis regulated entities. In line with communications from the European Central Bank, the CBI has implemented several measures providing credit institutions with flexibility in meeting certain capital and liquidity requirements. In April 2020, the CBI reduced the Counter Cyclical Buffer Rate (CCyB) that banks are required to hold from 1 per cent to 0 per cent. The CCyB is a time varying capital requirement, which applies to banks and certain investment firms and, since July 2019, had been set at 1 per cent. This reduction in CCyB seeks to free up bank capital so as to allow banks to support further lending to businesses and households. In March 2020, the CBI introduced flexibility for regulated entities in relation to the deadlines for remedial actions/measures, including the extension of certain regulatory reporting dates and specific risk mitigation programme submission deadlines, whereby individual regulated entities experiencing difficulties could engage directly with their supervisor and seek a postponement of up to six months. The CBI has also engaged with the Banking and Payments Federation Ireland (an industry body representing Irish and international banks, non-bank mortgage lenders and certain credit servicing firms and other regulated financial services providers) (the BPFI). BPFI members have offered, on a voluntary basis, temporary payment breaks to personal and business customers, including those already in arrears. Payment breaks were originally offered for three months and were subsequently extended to a six-month period. In light of this, the CBI is accommodating credit reporting to the Central Credit Register in a manner that ensures that a temporary payment break provided to a customer affected by Covid-19 is not reflected as a default in that customer's file. The CBI has engaged with lenders setting out its expectations regarding how Covid-19 breaks should operate.

48 Please note that while the government has launched a number of different sectorial supports (eg grants, vouchers, and subsidies) we have, in our responses, focused on providing details of the various financial products being made available. However, if you would like us to provide more detail on these other supports, please let us know and we would be happy to do so.

Stay/rescheduling of statutory time periods

Jurisdiction	Length of protected period	**Scope** (time bar, registration, unenforceability, inadmissibility, expiry, automatic discontinuance of action, enforcement, voidness, etc) **and carve outs**	Impact on insolvency and work outs	Territorial scope/cross-border issues
Ireland				
Apart from some amendments in the area of planning law, statutory time periods remain unaffected. Similarly, procedural rules concerning the time limits for making filings or lodging documents in the relevant court office are unaffected as long as all offices remain open.	Not applicable	Not applicable	Not applicable	Not applicable

Stay/rescheduling of contractual obligations

Jurisdiction	Length of protected period	Scope (penalty payments, penal clauses, etc) and carve outs	Can be waived?	Combines with *force majeure*/frustration/ unforeseeability?	Territorial scope/cross-border issues
Ireland	Not applicable	Members of the Banking and Payments Federation Ireland agreed, on a voluntary basis, to seek an adjournment of court repossession proceedings, initially for three months and subsequently extended to a six-month period (from mid-March 2020). Emergency legislation passed to date has not expressly restricted a lender's right to take enforcement action against a defaulting borrower. While not directly affecting a lender's ability to exercise its rights, the Emergency Measures in the Public Interest (Covid-19) Act 2020 (the Emergency Measures Act) (1) prohibits residential rent increases, and (2) prevents lessors from terminating residential tenancies during the Covid-19 crisis. These measures initially applied for a three-month period and were subsequently extended before expiring on 1 August 2020. The Residential Tenancies and Valuation Act 2020, provides for modified protections from rent increases and tenancy terminations for certain tenants, replacing those under the Emergency Measures Act. This applies until 10 January 2021.	Not applicable	Not applicable	Not applicable

Temporary changes to insolvency and work outs framework					
Jurisdiction	**Freeze of assessment of cessation of payments**	**Freeze/rescheduling of insolvency applications**	**Extension of time periods within insolvency proceedings (plan, etc)**	**Other**	**Impact on restructurings**
Ireland	Not applicable	Not applicable	The recently enacted Companies (Miscellaneous Provisions) (Covid-19) Act 2020 (the Act) includes provisions applying for an interim period from 21 August to 31 December 2020 (the 'interim period'). The Act allows an examiner of a company that goes into examinership during the interim period to seek an extended period of 50 days in which to make a report detailing restructuring plans to the court. Previously, an examiner had up to 70 days in which to present its report to the court and the Act allows for the extension of that period by a further 30 days on application to the court, allowing for a maximum period of 150 days for examinership, in exceptional circumstances	The Act permits the minimum debt threshold for the commencement of a winding up by the court to be extended, during the interim period, from €10,000 for individual debts and €20,000 for aggregate debts to €50,000 (a single threshold).	Not applicable

Other issues					
Jurisdiction	**Regulatory relief measures taken at national level**				
Ireland	The Financial Provisions (Covid-19) Act 2020 (Number 4 of 2020) (the Act), while not yet commenced, will provide for a number of different key measures. Such measures include: • provision enabling the State to enter into the SURE guarantee, an EU instrument to mitigate unemployment risks; • provision allowing the Minister for Finance to enter into a contribution agreement and Fund Guarantee agreement with the EIB as part of the Pan-European Guarantee Fund; • the insertion of a new section 5(7) of the Strategic Banking Corporation of Ireland (SBCI) Act 2014 (the 2014 Act), discounting certain insurance obligations for the giving of guarantees by the SBCI under the 2014 Act; and • provision allowing for the enforceability in the Irish courts of an award of the Arbitral Tribunal established by the Council of Europe Development Bank.	Legislation has been introduced allowing for reduced interest rates on taxes owing to Revenue and a reduction in VAT (decreased to 21 per cent). Revenue has also halted debt enforcement activity in respect of SMEs (and, on successful application, larger businesses) and has relaxed numerous reporting requirements in an effort to prevent undue harshness in the application of rules and to better facilitate working from home.			

14. Italy

Gregorio Consoli, Chiomenti Studio Legale, gregorio.consoli@chiomenti.net

Completion, 15 September 2020

Emergency funding

State-guaranteed loans

Jurisdiction	Size of programme	Terms of guarantee	Eligible borrowers	Terms of loans	Territorial scope/cross-border issues
Italy **SACE guarantee** Article 1 of Law Decree no. 23/2020, as subsequently converted into law on 5 June 2020 by the Law no. 40/2020 (the Liquidity Law Decree))	**Global size of the programme** €200bn until 31 December 2020. **Individual size for single borrowers** The maximum loan amount which can be secured by the SACE Guarantee (to be calculated on a consolidated basis if the applicant borrower belongs to a group) is the higher of: • 25 per cent of 2019 annual gross turnover in Italy; and • twice the amount of 2019 employee costs in Italy.	**Main characteristics of the SACE Guarantee** It secures principal, interest and ancillary charges up to the relevant maximum guaranteed amount. It covers any loss as a consequence to any default of the borrower in repaying the relevant loan, on an equal and proportional basis between the borrower and the lender. It is a first-demand, explicit and irrevocable guarantee which complies with the requirements of prudential supervision regulations. It is counter-guaranteed by the Italian state (the counter-guarantee of the Italian State is a first demand and without recourse guarantee, to be issued ex lege pursuant to the Liquidity Decree, explicit, unconditional and irrevocable). **SACE Guarantee's coverage percentage** The guarantee covers: • for borrowers with an annual gross turnover up to €1.5bn and with up to 5,000 employees, 90 per cent of the maximum amount of the relevant loan; • for borrowers with an annual gross turnover between €1.5bn and €5bn and/or with more than 5,000 employees, 80 per cent of the maximum amount of the relevant loan; and • for borrowers with an annual gross turnover of more than €5bn, 70 per cent of the relevant loan amount. Please note that if the company is part of a group, the above data concerning gross turnover and number of employees shall be considered on a consolidated basis.	Undertakings (including the so-called *associazioni professionali* and *società tra professionisti*) based in Italy affected by the pandemic Covid-19 outbreak are eligible to benefit from the SACE Guarantee, to the extent that: • as at 31 December 2019, they did not fall within the 'undertakings in difficulty' category as defined by Reg. (EU) no. 651/2014, Reg. (EU) no. 702/2014 of 25 June 2014 and Reg. (EU) no. 1388/2014 of 16 December 2014; and • as at 29 February 2020, they did not have any 'non-performing exposure' within the banking system. Notwithstanding the foregoing, please note that in no case companies which, pursuant to article 2359 of the Civil Code, directly or indirectly, hold (or are held by) a company resident in a tax heaven (ie the jurisdictions referred to in Annex I to the EU list of the non-cooperative jurisdictions for tax purposes) are eligible to benefit from the SACE Guarantee. The above limitation does not apply in case the non-resident entity actually carrying out a business activity in the relevant jurisdiction of incorporation.	Loan eligible for the guarantee should envisage: • a maximum duration up to six years (and with an initial grace period up to 36 months); • amortisation plan: quarterly instalments with reimbursement of fixed principal portions; • full disbursement of the loan with a single drawdown to be made within 30 calendar days from the date of issuance of the SACE Guarantee (or within 45 calendar days only in relation to those companies having an annual gross turnover higher than €1.5bn or having more than five thousand employees); and • execution after 9 April 2020 and in any case within 31 December 2020. The loan granted by the SACE Guarantee may be used for one of the following purposes: • covering costs of personnel; • investments; • sustaining working capital; • payment of rent or lease of a going concern, • plants and business activities which are located in Italy. Main undertakings of the beneficiary companies: • the beneficiary company shall undertake both directly and on behalf of any other company member of its group having with its HQ in Italy, not to approve nor make any distribution of dividends or buy-back of own shares starting from 9 April 2020 and until 31 December 2020. Moreover, should the applicant companies have already distributed dividends or bought back their own shares at the time of the request of the loan, the undertaking not to distribute shall be assumed by the company and the relevant group for twelve months following the date of the relevant loan request. • starting from 9 April 2020 and for the whole duration of the loan, the beneficiary company shall manage its redundancies through union agreements. • the companies acceding to the SACE Guarantee shall undertake 'not to relocate its business and productions' outside of Italy.	The public guarantee to be granted by SACE S.p.A.: • shall be in favour of banks, domestic and international institutions and any other entity entitled to carry out lending activity in Italy; and • shall have companies based in Italy as beneficiaries.

Italy **SMEs guarantee** Granted by the Central guarantee Fund for SMEs (CGFS) (established under Law 662/1996). Article 13 of Liquidity Law Decree.	**Global size of the programme** For the purposes of the issue of the CGFS guarantees, €1.729m has been assigned to the CGFS Fund for 2020. **Individual size for single borrowers** The maximum guaranteed amount of CGFS guarantees issued for each company cannot exceed €5m in aggregate.	CGFS guarantees secure 90 per cent of the guaranteed facility in the case of direct guarantees or 100 per cent of the guaranteed facility in the case of reinsurances (it being understood that, in the case of refinancing, such percentages are lowered to 80 per cent for direct guarantees or 90 per cent for reinsurances). Access to the Fund for SMEs until 31 December 2020 is free of charge.	Eligible borrowers: • SMEs (as defined under EU laws and regulations), consortiums and professionals located in Italy (or having their registered office or place of operation in Italy); • undertakings with fewer than 499 employees (parameter to be calculated on a stand-alone basis, without taking into account any other parameter referred to by the European provisions concerning the revenues) excluding those having non-performing exposures pursuant to the banking regulation.	Loan terms : • the loan maximum amount varies depending on annual gross turnover and personnel costs but it shall in no case exceed €5m, • the loan duration may be up to 10 years.	Public guarantees to be granted by the CGFS shall be granted in favor of SMEs (as defined under EU laws and regulations), consortiums and professionals located in Italy (or having their registered office or place of operation in Italy).
Italy **State counter-guarantee in favour of Cassa Depositi e Prestiti S.p.A. (CDP)** Article 57 of the of Law Decree no. 18/2020, as subsequently converted into law on 24 April 2020 by Law no. 27/2020 (the Cura Italia Law Decree).	The fund covering such counter-guarantees is set up with the Ministry of Economy and Finance with an initial endowment of €500m to cover CDP state guarantees for the year 2020.	The state is allowed to issue counter-guarantees in favour of Cassa Depositi e Prestiti S.p.A. (CDP) in relation to exposures of the same CDP, also in the form of 'first loss guarantees' (*garanzie di prima perdita*) on portfolios of financing, to banks and other entities authorised to exercise lending activities (*soggetti autorizzati all'esercizio del credito*) that make available (or have made available) loans to companies operating in sectors affected by the Covid-19 emergency. Each State counter-guarantee in favour of CDP shall be issued up to a maximum of 80 per cent of the exposure assumed by CDP and shall be a first demand, in line with market parameters, explicit, unconditional and irrevocable, compliant with UE prudential provisions, guarantee. Procedures for the issuance and enforcement of such state counter-guarantees are still to be determined pursuant to a decree to be issued by the Ministry of Economy and Finance after consultation with the Minister of Economic Development, pursuant to which, among other things, sectors in which companies shall operate to be eligible to such state counter-guarantee will be identified.	Eligible borrowers are companies that have suffered a reduction in turnover as a result of the Covid-19 emergency and that cannot benefit from guarantees under the SMEs fund.	Loans in any form can be counter-guaranteed. No specific terms are provided for under Article 57 of the Cura Italia Law Decree with respect to the terms of the facilities guaranteed by CDP and counter-guaranteed by the Italian state. In any case, a decree by the Ministry of Economy and Finance after consultation with the Minister of Economic Development disciplining the counter-guarantee is still expected to be issued.	No specific provisions are provided with respect to the localisation of companies that can access the measure. As anticipated, a decree by the Ministry of Economy and Finance after consultation with the Minister of Economic Development disciplining the counter-guarantee is still expected to be issued.

Italy **State counter-guarantee in favour of Cassa Depositi e Prestiti S.p.A. (CDP) for the granting of new loans** **Article 1, paragraph 13, of the Liquidity Law Decree.**	Same basket of €200bn made available for the issue of both SACE Guarantees and CDP Guarantees as referred to above under section 'State-guaranteed loans', paragraph 'Italy - SACE guarantee'.	The state is allowed to issue counter-guarantees in favour of Cassa Depositi e Prestiti S.p.A. (CDP) in relation to guarantees on exposures incurred or to be incurred by Cassa Depositi e Prestiti S.p.A. within 31 December 2020, deriving from guarantees, also in the form of first loss guarantees (*garanzie a prima perdita*), on portfolios of loans granted, in any form whatsoever, by banks and other entities entitled to exercise lending activities in Italy (*soggetti abilitati all'esercizio del credito in Italia*) to enterprises that suffered a reduction in turnover due to the Covid-19 outbreak, in such a way as to ensure the granting by the lenders of new loans in accordance with the amount of regulatory capital released as a result of the guarantees themselves. The issue of any such guarantee is subject to the issuance of a specific decree by the Ministry of Economy and Finance.	Eligible borrowers are companies with registered office in Italy that have suffered a reduction in turnover due to the epidemiological emergency by Covid-19.	Not applicable.	Such counter-guarantee shall be granted in favor of companies with registered office in Italy.
Italy **Institute for Sport Credit (*Istituto per il Credito Sportivo*) guarantee** **Article 14 of the Liquidity Law Decree.**	A special fund segment with an endowment of €30m for the year 2020 has been established for the purpose of making guarantees available. A further section of such fund has been established and endowed with €5m for the year 2020 for the purpose of making available interests contributions (*contributi in fondo interessi*).	Guarantees and interests contributions (*contributi in fondo interessi*), to be granted, until 31 December 2020, by certain funds established in the frame of the Institute for Sport Credit (*Istituto per il Credito Sportivo*), with respect to loans provided by the same *Istituto per il Credito Sportivo* or other banking institutions, for the liquidity needs of certain sport organisations.	National sports federations, sport associated disciplines of sports, sports promotion bodies, associations and amateur sports clubs registered in the special register established pursuant to applicable law.	No specific terms are provided for under Article 57 of the Cura Italia Law Decree with respect to the terms of the facilities guaranteed by CDP and counter-guaranteed by the Italian state. In any case, as anticipated, a decree by the Ministry of Economy and Finance after consultation with the Minister of Economic Development disciplining the counter-guarantee is still expected to be issued.	Such guarantee shall be granted in favour of companies with registered office in Italy or in any case operating in Italy and with respect to activities carried out in Italy.

Sectorial support plans

Jurisdiction	SMEs	Supply chains	Export credit	Specific industries	Other
Italy	In addition to the state-guaranteed loans specifically destined in favor of SMEs, as better described under section 'State-guaranteed loans', paragraph 'Italy - SMEs guarantee', above Law Decree No. 34/2020, as subsequently converted, with amendments, into Law No. 77/2020 (the Relaunch Law Decree) has also provided for the following measures to SMEs: • establishment of a SMEs Asset Fund, aimed at subscribing, within 31 December 2020 and within the limits of the fund's endowment, newly issued bonds or debt securities issued by companies (having certain requirements as better described under the Relaunch Law Decree) for a maximum amount equal to the lower of three times the amount of the capital increase carried out by such companies in 2020 and 12.5 per cent of the amount of 2019 revenues of the same; and • establishment of a contribution based on the amount of social security and	By means of several decrees of the President of the Italian Council of Ministers, starting from March 2020, all industrial/manufacturing and commercial activities not considered as strictly necessary (as specifically indicated and set out in such decrees) had been suspended and certain containment measures had been adopted. Although, starting from 18 May 2020, most economic activities have been allowed to reopen, social distancing measures still apply and certain activities remain subject to limitations.	SACE export credit guarantees are disciplined under article 2 of the Liquidity Law Decree. More specifically, pursuant to such provision, SACE may assume commitments arising from the insurance and risk guarantee activity defined as non-market risks by European Union regulations up to 10 per cent of the principal and interest of each commitment, while 90 per cent of the same commitments shall be assumed by the State severally. In addition, pursuant to the aforementioned provision, SACE will be authorised to issue (with separate accounts from its other activities), at market conditions and in accordance with EU regulations, guarantees in any form, including counter-guarantees to banks, national and international financial institutions and other entities authorised to exercise credit in Italy, for loans in any form granted to companies based in Italy, up to a maximum total amount of 200bn with counter-guarantee by the state.	The Relaunch Law Decree has, *inter alia*, provided for certain specific measures reserved to innovative startups, including: • the making available of additional resources for an amount of €100m for the year 2020 to refinance the facilities granted in the form of subsidised loans; • non-refundable contributions to support innovative startup for an aggregate amount of €10m; • he making available to venture capital funds of additional resources of €200m for the year 2020 to support investments in capital, as well as through the provision of subsidised loans, the subscription of convertible bonds, or other debt financial instruments providing for the possibility of repayment of the contribution made, for the exclusive benefit of innovative startups and innovative SMEs; • the reservation in favor of innovative startups and innovative SMEs, of a quota of €200m of funds made available to the Guarantee Fund for microcredit; • the so-called 'First Playable Fund' with an initial availability of €4m for the year 2020 for undertakings dealing with the creation and production of videogames though non-refundable contributions. Specific additional resources have also been made available under the Law Decree 104/2020 (August Law Decree) in the context of existing intervention measures, in favor of, inter alia, entities involved in the following sectors: • restaurants; • entities operating in historical centres; • tourist or thermal sector; • culture; • sport; and • transport (including automotive, sea transport, plane transport, etc).	The Relaunch Law Decree has, inter alia, provided for the introduction of certain destined assets (*patrimonio destinato*) by Cassa Depositi e Prestiti S.p.A. (CDP), called *Patrimonio Rilancio* – to which assets and legal relationships shall be contributed by the Ministry of Economy and Finance – which may be divided into sectors and whose resources will be used to support and relaunch the Italian productive economic system, in compliance with the EU regulatory framework on state aid adopted to deal with the epidemiological emergency by Covid-19 or at market conditions, at the requirements, conditions, criteria and procedures for interventions to be defined by a decree of the Minister of Economy and Finance, after consultation with the Minister of Economic Development. Furthermore, the Relaunch Law Decree has, *inter alia*, provided for the following measures: • a non-refundable contribution destined to, among others, individuals engaged in business activities and self-employment, holders of VAT numbers, including companies engaged in agricultural or commercial activities, even if carried out in the form of a cooperative enterprise, with a turnover in the last tax period of less than €5m, on condition that the amount of the turnover and fees for the month of April 2020 is less than two-thirds of the amount of the turnover and fees for the month of April 2019;

	welfare contributions, up to a total amount of €4m for the year 2020, in favour of micro-enterprises and small and medium-sized enterprises based in Italy, managing the freeway fuel distribution service, at certain specific conditions.				• extraordinary interventions by the *Istituto nazionale per l'assicurazione contro gli infortuni sul lavoro* (National Institute for Occupational Accident Insurance) for companies that, after the date of entry into force of the Cura Italia Law Decree, have put in place interventions for the reduction of the risk of contagion in the workplace (including through the purchase of equipment for the isolation, distancing and/or sanitation and/or for individual protection.

Relaxation of regulatory requirements for lenders

Jurisdiction	
Italy	On 20 March 2020, the Bank of Italy, similarly to the provisions of the ECB with reference to significant banks, has extended to less significant banks and non-banking financial intermediaries the possibility to temporarily operate below the level of the target component assigned as a result of the SREP process (Pillar 2 Guidance - P2G), the capital conservation buffer (CCB) and the liquidity coverage ratio (LCR).
Italy	On 4 June 2020, the Bank of Italy, in its capacity as National Resolution Authority, has communicated that if, following the use of the CCB, banks should not be able to comply with the minimum requirement for own funds and eligible liabilities (MREL) requirement, it will consider the opportunity to use the flexibility recognized by the MREL regulations, with particular regard to the granting of an appropriate transitional period for the achievement of the applicable MREL requirement.

Stay/rescheduling of statutory time periods

Jurisdiction	**Length of protected period**	**Scope (time bar, registration, unenforceability, inadmissibility, expiry, automatic discontinuance of action, enforcement, voidness, etc) and carve outs**	**Impact on insolvency and work outs**	**Territorial scope/cross-border issues**
Italy	As of the date hereof, no suspension of civil hearings and/or civil procedural deadlines apply. With respect to civil proceedings, a general suspension period was provided from 9 March to 11 May 2020. Starting from 12 May, activities in courts have been resumed, even if certain special provisions (such as written hearings) have been applied until 31 July 2020.	During the general suspension period relating to civil proceedings, (1) all hearings were suspended (some exceptions were provided for, however, with respect to certain emergency cases); and (2) procedural deadlines for the filing of civil briefs were postponed. In addition, a suspension period – until 31 August 2020 – was provided with respect to the enforcement of promissory notes (*vaglia cambiari*), bills of exchange (*cambiali*) and other proofs of debt (*titoli di credito*).	Please refer to Section 'Temporary changes to insolvency and work outs framework' below.	The general suspension period concerned the whole national territory. Starting from 12 May 2020, however, and until 30 June 2020, each 'district court' was granted the power to adopt any measures they deemed appropriate in order to mitigate Covid-19 risks, including postponement of all 'non-urgent' hearings.

Stay/rescheduling of contractual obligations

Jurisdiction	Length of protected period	Scope (penalty payments, penal clauses, etc) and carve outs	Can be waived?	Combines with *force majeure*/frustration/ unforeseeability?	Territorial scope/ cross-border issues
Italy **Micro enterprises and SMEs moratorium measure** **Article 56 of the Cura Italia Law Decree and Article 65 of August Law Decree.**	The protected period was originally provided until 30 September 2020 (included with respect to instalments due at such date) and was subsequently extended until 31 January 2021, pursuant to the August Law Decree, which, under Article 65, expressly provides that, among other things: • for companies already admitted to the moratorium under Article 56, paragraph 2, of the Cura Italia Law Decree, as at 15 August 2020, the extension of the moratorium operates automatically without any formality; and • present exposures that have not yet been admitted to the moratorium, may be admitted, within 31 December 2020, to such measure according to the same conditions and procedures set out in Article 56 of the Cura Italia Law Decree.	Micro enterprises and SMEs (as defined under EU laws and regulations), declaring that they have recorded a decrease in turnover as a consequence of the pandemic can benefit from the following measures: 1. in the case of overdraft facilities (*aperture di credito*) and loans granted over discount on receivables (*prestiti a fronte di anticipi sui crediti*) in place as at 29 February 2020 or, if higher, as at 17 March 2020, both for the drawn-down portion and the one made available but not yet drawn-down, may not be recalled on demand or cancelled until 31 January 2021; 2. loans with bullet repayment maturing before 31 January 2021, together with related ancillary rights, are deemed extended without further formality until 31 January 2021 on identical terms; and 3. loans and other facilities repayable in instalments (including agricultural bills of exchange) and instalments or lease payments due prior to 31 January 2021 are deemed suspended until 31 January 2021. The related amortisation schedule, together with the related ancillary elements, are deemed extended without further formality and at no extra cost for either party. Companies are also entitled to request a suspension with respect to the principal component only. Banks and financial intermediaries may request a fund guarantee in respect of the suspended payments (without any credit check by the SMEs Guarantee Fund) in the amount of 33 per cent of, with respect to: • point 1) above, the amount by which utilisations of loans made available to the beneficiary exceed, as at 31 January 2021, amounts utilised by the same as at 17 March 2020; • point 2) above, loans and other financings whose maturities have been extended; • point 3) above, mortgage loan and lease instalments and other instalment of loans due within 31 January 2021 and that have been suspended.	The applicability of the moratorium under the Cura Italia Law Decree is based on the request by the beneficiary, which will need to submit a self-certification, by means of which it will self-certify that they have suffered a temporary shortage of liquidity as a direct consequence of the Covid-19 epidemic. The automatic extension of the moratorium for companies already benefitting of the same as at 15 August 2020 can be waived by companies already admitted to the moratorium by way of express waiver, to be delivered to the lender(s) within 30 September 2020.	Yes	The measure is only available to undertakings having their registered office in Italy.
Italy **Italian Banking Association (ABI) moratorium**	From 7 March 2020 until 30 September 2020 (31 December 2020 for SMEs), with respect to loans outstanding as at 31 January 2020.	An additional moratorium (subject to certain conditions) for SMEs, with reference to their exposure as at 31 January 2020, is provided for in the 'Coronavirus Addendum' to the Credit Agreement of the Italian Banking Association (ABI). More specifically, a SME may apply for (1) a one-year moratorium for the repayment of instalments of MLT loans (such moratorium may be extended up to two years in certain cases); (2) an extension up to 100 per cent of the duration of the remaining part of the amortisation plan. Such moratorium has been extended, subject to certain conditions, also to large enterprises affected by the Covid-19 outbreak. Such measure applies to SMEs and large enterprises affected by the Covid-19 outbreak, with reference to their exposure as at 31 January 2020, whose debt exposures were not classified as impaired (*deteriorate*) as of 31 January 2020, provided that the relevant financing banks or institutions have agreed to the credit agreement and subject to certain conditions.	Such measure only applies upon request of the company.	Yes	The measure applies only to undertakings operating in Italy.

Temporary changes to insolvency and work outs framework

Jurisdiction	Freeze of assessment of cessation of payments	Freeze/rescheduling of insolvency applications	Extension of time periods within insolvency proceedings (plan, etc)	Other	Impact on restructurings
Italy **(Articles 6, 8–10 of the Liquidity Law Decree)**	A temporary inadmissibility period was initially provided with respect to any petition – filed in the period from 9 March to 30 June 2020 – for: (1) bankruptcy; (2) declaration of insolvency in the frame of the extraordinary administration procedure for large insolvent companies, pursuant to Italian Legislative Decree No. 270 of 8 July 1999 (the so-called '*Prodi bis*' Decree); and (3) declaration of insolvency in the frame of a compulsory administrative liquidation procedure (*liquidazione coatta amministrativa*). Such temporary inadmissibility period, however, did not apply to petitions for bankruptcy (1) filed by the same enterprise, if insolvency was not related to the Covid-19 outbreak; (2) filed – subject to certain conditions – in the frame of a composition with creditors proceeding (*concordato preventivo*); (3) filed by a public prosecutor (*pubblico ministero*) in specific cases provided for by the Italian Bankruptcy Law. Accordingly, a suspension of certain deadlines to bring a claw-back action or to declare bankruptcy of an entrepreneur who has ceased trading was also provided, subject to bankruptcy being declared by 30 September 2020. As of the date hereof, the abovementioned temporary inadmissibility period is expired and bankruptcy petitions may therefore be filed.	In relation to petitions for bankruptcy or insolvency declaration see under column 'Freeze of assessment of cessation of payments'. With respect to pre-insolvency composition with creditors proceedings (*concordati preventivi*) and debt restructuring agreements under article 182-bis of the Italian Bankruptcy Law (accordi di ristrutturazione) pending as of 23 February 2020, the following main measures have been provided: • the possibility, for the relevant debtor, to file an application to court prior to the homologation hearing, for up to 90 days' extension for the filing of a new plan and a new proposal for composition with creditors (concordato preventivo) or a new debt restructuring agreement (*accordo di ristrutturazione*); • the possibility to be granted an additional and 'extraordinary' extension, up to 90 days, of the relevant deadlines in the frame (1) of the so-called 'preliminary petition' of composition with creditors (domanda di concordato con riserva) pursuant to Article 161, paragraph 6, of the Italian Bankruptcy Law; or (2) of an 'automatic stay' pursuant to Article 182 bis, paragraph 7, of the Italian Bankruptcy Law, granted while negotiations for the execution of the debt restructuring agreement (accordo di ristrutturazione) were pending; and • the possibility, for deadlines granted in the frame of 'preliminary petitions' for composition with creditors (domanda di concordato con riserva) pursuant to Article 161, paragraph 6, of the Italian Bankruptcy Law, filed by 31 December 2020 and relating to companies for which a petition for bankruptcy is pending, to exceed the ordinary 60-day limit.	Deadlines for compliance with obligations due to be performed after 23 February 2020, in the frame of compositions with creditors (*concordati preventivi*) and debt restructuring agreements (*accordi di ristrutturazione*) that had already been homologated (ie court-approved) have been extended by six months by operation of law. In addition, with respect to composition with creditors proceedings (*concordati preventivi*) and debt restructuring agreements (*accordi di ristrutturazione*) not yet homologated as at 23 February 2020, the relevant debtor may file a request for the postponement for up to six months of existing payment/fulfillment deadlines provided in the *concordato preventivo* proposal or debt restructuring agreement.	The entry into force of the new Italian Business Crisis and Insolvency Code (Legislative Decree No. 14 of 12 January 2019), which was originally set to enter into force on 15 August 2020, has been postponed to 1 September 2021.	In addition to the measures already outlined in the present section, it is worth noting that: • up to 31 December 2020, joint-stock companies and limited liability companies will not be subject to mandatory winding up in case of reduction of corporate capital because of losses (subject to certain conditions); • shareholders' loans granted up until 31 December 2020 will not be subordinated by operation of law.

Other issues

Jurisdiction	Regulatory relief measures taken at national level	Other measures to preserve the going concern of companies affected by the Covid-19 outbreak			
Italy	On 20 March 2020, the Bank of Italy granted certain extensions for the following supervisory reporting fulfilments: • 60 days for the reporting obligations relating, inter alia, to ICAAP/ILAAP, recovery plans, reports on outsourced functions and reports on organisational structure; • 150 days for the transmission of the first report on operational and security risks for banks; • 60 days for responses to ongoing regulatory consultations and an extension of the deadlines for sending comments for consultations that will be launched in the coming days.	Suspension of certain provisions of the Italian Civil Code relating to the reduction of the value of share capital due to losses in the *Società per azioni – S.p.A.* and *Società a responsabilità limitata – S.r.l.* until 31 December 2020. Amendment to the principles for the preparation of financial statements, allowing in any case the evaluation of the items on a going concern basis as per article 2423-*bis*, paragraph 1, no. 1) of the Italian Civil Code, if it was possible to do so in respect of the most recent financial period ending prior to 23 February 2020. Such amendments are applicable to financial statements as at 31 December 2020, as well as financial statements closed by 23 February 2020 but not yet approved. Suspension of the equitable subordination rule provided for by Articles 2467 and 2497-*quinquies* of the Italian Civil Code, with respect to certain shareholder loans and loans granted to a company by entities exercising an activity of direction and coordination over it (*attività di direzione e coordinamento*) until 31 December 2020. With respect to promissory notes (*vaglia cambiari*), bills of exchange (*cambiali*) and other proofs of debt (*titoli di credito*), the relevant expiry dates were suspended until 31 August 2020.			
Italy	On 22 April 2020, the Bank of Italy has authorised less significant banks and investment firms to transmit 'harmonised' reports with submission deadlines up to 31 May 2020 within one month from this deadline.				

Note

This document summarises key measures implemented to benefit businesses as disciplined by (1) the Cura Italia Law Decree; (2) the Liquidity Law Decree; (3) the Relaunch Law Decree; (4) the August Law Decree. The measures described above were in place as of 14 September 2020. Amendments to the abovementioned decrees are likely to occur in the near future.

15. Japan

Suzuki, Yuri (A&S), Atsumi & Sakai, yuri.suzuki@aplaw.jp

Completion date: 27 September 2020

Emergency funding

State-guaranteed loans

Jurisdiction	Size of programme	Terms of guarantee	Eligible borrowers	Terms of loans	Territorial scope/cross-border issues
Japan	**Safety Net Guarantee by the Credit Guarantee Corporation (Safety Net Guarantee No. 4)** Guarantee amount of up to JPY 280m per debtor separately from general guarantee.	**Safety Net Guarantee by the Credit Guarantee Corporation (Safety Net Guarantee No. 4)** Guarantor is the Credit Guarantee Corporation. 100 per cent guarantee of amount borrowed (up to JPY 280m) separately from the general guarantee	**Safety Net Guarantee by the Credit Guarantee Corporation (Safety Net Guarantee No. 4)** Small and medium-sized enterprises (SME) in all Prefectures Net sales decreased by 20 per cent or more from the same month of the previous year Obtain certification by the municipality, in which the head office, etc is located.	**Safety Net Guarantee by the Credit Guarantee Corporation (Safety Net Guarantee No. 4)** Loans with private financial institutions as lenders.	**Safety Net Guarantee by the Credit Guarantee Corporation (Safety Net Guarantee No. 4)** Within Japan.
Japan	**Safety Net Guarantee by the Credit Guarantee Corporation (Safety Net Guarantee No. 5)** Guarantee amount of up to JPY 280m per debtor separately from general guarantee (with the same limit as Safety Net Guarantee No. 4).	**Safety Net Guarantee by the Credit Guarantee Corporation (Safety Net Guarantee No. 5)** Guarantor is the Credit Guarantee Corporation 80 per cent fuarantee of amount borrowed (up to JPY 280m, with the same limit as Safety Net Guarantee No. 4) separately from the general guarantee.	**Safety Net Guarantee by the Credit Guarantee Corporation (Safety Net Guarantee No. 5)** SMEs of all business types Net sales decreased by 5 per cent or more from the same month of the previous year. Obtain certification by the municipality, in which the head office, etc is located.	**Safety Net Guarantee by the Credit Guarantee Corporation (Safety Net Guarantee No. 5)** **Lender** Private financial institutions	**Safety Net Guarantee by the Credit Guarantee Corporation (Safety Net Guarantee No. 5)** Within Japan
Japan	**Crisis-related Guarantee by Credit Guarantee Corporation** Guarantee amount of up to JPY 280m per debtor separately from general guarantee and Safety Net Guarantee.	**Crisis-related Guarantee by Credit Guarantee Corporation** Guarantor is the Credit Guarantee Corporation 100 per cent Guarantee of amount borrowed (up to 2 JPY 80m) separately from the general guarantee and Safety Net Guarantee.	**Crisis-related Guarantee by Credit Guarantee Corporation** In principle, if there has been a decrease of 15 per cent or more in the net sales from the same month in the previous year in the most recent one month, and it can be anticipated that there will be a decrease of 15 per cent or more in the net sales of a three-month period including the two-month period following the first month in comparison to the same months in the previous year. Obtain certification by the municipality, in which the head office, etc is located.	**Crisis-related Guarantee by Credit Guarantee Corporation** **Lender** Private financial institutions **Purpose of use of funds** Funds for stable management	**Crisis-related Guarantee by Credit Guarantee Corporation** Within Japan

Japan	**Special financing by Japan Finance Corporation (JFC), etc due to novel coronavirus infection** Micro business and individual unit: up to JPY 80m per debtor SME unit: up to JPY 600m per debtor	**Special financing by Japan Finance Corporation (JFC), etc due to novel coronavirus infection** Handled on an individual basis.	**Special financing by Japan Finance Corporation (JFC), etc due to novel coronavirus infection** Micro businesses (including individual business operators, hereinafter the same) and SMEs . Businesses affected by the novel coronavirus infection, which have experienced a temporary downturn in business, and falling under either (1) or (2) below, and for which a business recovery may be anticipated in the medium-to-long term. Business which has experienced a 5 per cent or greater decrease in net sales in the most recent one month period in comparison to the same month in the previous year or two years ago. Business with the history of three months or more and less than one year and one month which has experienced a 5 per cent or greater decrease in net sales in the most recent one month period in comparison to any of the following: (1) its average net sales during the last three months (including the most recent one month); (2) the net sales for December 2019 (3) the average net sales for the period from October to December 2019.	**Special financing by Japan Finance Corporation (JFC), etc due to novel coronavirus infection** **Lender** JFC The Okinawa Development Finance Corporation **Purpose of use of funds** Funds for facilities and operations that are necessary due to social factors associated with the novel coronavirus infection **Repayment period (deferment period)** Funds for facilities: within 20 years (within five years) Funds for operations: within 15 years (within five years) **Interest** *Micro business and individual unit* Portion within JPY 40m: Initial three-year period, base interest rate: 0.9 per cent After three years have passed, base interest rate portion exceeding JPY 40m: base interest rate *SME unit* Portion within JPY 200m: Initial three-year period, base interest rate: 0.9 per cent After three years have passed, base interest rate portion exceeding JPY 200m: base interest rate	**Special financing by Japan Finance Corporation (JFC), etc due to novel coronavirus infection** Within Japan

Japan	**MARUKEI financing (funds for improvement of management of micro businesses) by JFC, etc** Loan of up to JPY 10m per debtor separately from and in addition to the general loan amount (up to JPY 20m).	**MARUKEI financing (funds for improvement of management of micro businesses) by JFC, etc** Not applicable	**MARUKEI financing (funds for improvement of management of micro businesses) by JFC, etc** Micro businesses A micro businesses receiving business guidance provided by a Japan Chamber of Commerce and Industry, Society of Commerce and Industry, or Prefectural Federation of Societies of Commerce and Industry who is recommended by the head of the Chamber of Commerce and Industry, etc; or Businesses affected by the novel coronavirus infection, which have experienced a 5 per cent or greater decrease in net sales in the most recent one-month period in comparison to the same period in the previous year or two years ago.	**MARUKEI financing (funds for improvement of management of micro businesses) by JFC, etc** **Lender** JFC The Okinawa Development Finance Corporation **Purpose of use of funds** Funds for facilities Funds for operations **Repayment period (deferment period)** Funds for facilities: within ten years (within four years) Funds for operations: within seven years (within three years) **Interest** Initial three-year period: Special interest rate F: (0.9 per cent) After three years have passed: special interest rate F.	**MARUKEI financing (funds for improvement of management of micro businesses) by JFC, etc** Within Japan
Japan	**Health-related business financing (Environmental Health Business Loans) by JFC, etc** Loan of up to JPY 10m per debtor separately from and in addition to the general loan amount (up to JPY 20m)	**Health-related business financing (Environmental Health Business Loans) by JFC, etc** Not applicable	**Health-related business financing (Environmental Health Business Loans) by JFC, etc** Micro businesses Those who are operating an environmental health-related business and receiving business guidance implemented by the Environmental Health Trade Associations etc and who have been recommended by the head of the Environmental Health Trade Associations etc Business affected by the novel coronavirus infection which has experienced a 5 per cent or greater decrease in net sales in the most recent one-month period in comparison to the same period in the previous year or two years ago.	**Health-related business financing (Environmental Health Business Loans) by JFC, etc** **Lender** JFC The Okinawa Development Finance Corporation **Purpose of use of funds** Funds for facilities Funds for operations **Repayment period (deferment period)** Funds for facilities: within ten years (within four years). Funds for operations: within seven years (within three years). **Interest** Initial three-year period: Special interest rate F (0.9 per cent). After three years have passed: Special interest rate F.	**Health-related business financing (Environmental Health Business Loans) by JFC, etc** Within Japan

Japan	**Special loans (senior loans) by Shoko Chukin Bank due to novel coronavirus infection, etc** Up to JPY 600m per debtor.	**Special loans (senior loans) by Shoko Chukin Bank due to novel coronavirus infection, etc** Handled on an individual basis.	**Special loans (senior loans) by Shoko Chukin Bank due to novel coronavirus infection, etc** SME association members. Business which has been affected by the novel coronavirus infection and experienced a 5 per cent or greater decrease in net sales in the most recent one-month period in comparison to the same period in the previous year or two years ago.	**Special loans (senior loans) by Shoko Chukin Bank due to novel coronavirus infection, etc** **Lender** Shoko Chukin Bank **Purpose of use of funds** Funds for facilities Funds for operations **Repayment period (deferment period)** Funds for facilities: within 20 years (within five years). Funds for operations: within 15 years (within five years). **Interest** Interest similar to that for special financing by JFC, etc due to novel coronavirus infection.	**Special loans (senior loans) by Shoko Chukin Bank due to novel coronavirus infection, etc** Within Japan
Japan	**Capital Subordinated Loans by JFC** Micro business and individual unit: up to JPY 72m per debtor. SME unit: up to JPY 720m per debtor.	**Capital Subordinated Loans by JFC** Not applicable.	**Capital Subordinated Loans by JFC** Micro businesses and SMEs Business affected by the novel coronavirus infection, and falling under any of the following: • Businesses selected as J-Startup or those receiving investments from investment funds in which the Organization for Small & Medium Enterprises and Regional Innovation (SMRJ) has invested; • Business operators engaged in business revitalisation with the involvement of a Revitalisation Support Council; • Businesses which have prepared a business plan, and for which a revitalisation system has been established in which support may be received from private financial institutions, etc.	**Capital Subordinated Loans by JFC** **Lender** JFC The Okinawa Development Finance Corporation **Repayment period** Five years and one month, ten years, 20 years (lump-sum repayment) **Interest** *Micro business and individual unit* Initial three-year period and from the foruth year and thereafter, while incurring losses: 1.05 per cent From the fourth year and thereafter, while making profits: • for the terms of five years and one month/ten years, an interest rate of 3.4 per cent; and • for the term of 20 years, an interest rate of 4.8 per cent. *SME unit* Initial three-year period and from the fourth year and thereafter, while incurring losses: 0.5 per cent	**Capital Subordinated Loans by JFC** Within Japan

				From the fourth year and thereafter, while making profits: • for the terms of five years and one month/ ten years, an interest rate of 2.6 per cent; and • for the term of 20 years, an interest rate of 2.95 per cent.	
Japan	**Capital Subordinated Loans by Shoko Chukin Bank** Up to JPY 720m per debtor.	**Capital Subordinated Loans by Shoko Chukin Bank** Not applicable.	**Capital Subordinated Loans by Shoko Chukin Bank** SME association members. In the case of SME, same as the Capital Subordinated Loans by JFC, etc.	**Capital Subordinated Loans by Shoko Chukin Bank** **Lender** Shoko Chukin Bank **Repayment period** Five years and one month, ten years, 20 years (lump-sum repayment). **Interest** Initial three-year period and from the fourth year and thereafter, while incurring losses: 0.5 per cent From the fourth year and thereafter, while making profits: • for the terms of five years and one month/ ten years, an interest rate of 2.6 per cent; and • for the term of 20 years, an interest rate of 2.95 per cent.	**Capital Subordinated Loans by Shoko Chukin Bank** Within Japan
Japan	**Senior Loans by the Development Bank of Japan (DBJ), etc** No upper limit to loan per debtor	**Senior Loans by the DBJ, etc** Handled on an individual basis	**Senior Loans by the DBJ, etc** Large enterprises and medium-sized enterprises. Provided, however, that when the lender is the Shoko Chukin Bank, loans are limited to SME association members. Businesses which have been affected by the novel coronavirus infection and experienced a 5 per cent or greater decrease in net sales in the most recent one-month period in comparison to the same period in the previous year or two years ago.	**Senior Loans by the DBJ, etc** **Lender** DBJ Shoko Chukin Bank (only for medium-sized enterprises) **Purpose of use of funds** Funds for facilities Funds for operations **Repayment period (deferment period)** Funds for facilities: within 20 years (within five years) Funds for operations: within 15 years (within five years) **Interest** Ordinary interest. Provided, however, that interest is reduced to 0.5 per cent for the initial three-year period for medium-sized enterprises (corporations that are not SMEs with stated capital under JPY 1bn)	**Senior Loans by the DBJ, etc** Within Japan

Japan	**Capital Subordinated Loans by the DBJ, etc** No upper limit to loan per debtor	**Capital Subordinated Loans by the DBJ, etc** Not applicable	**Capital Subordinated Loans by the DBJ, etc** Large enterprises and medium-sized enterprises. Provided, however that when the lender is the Shoko Chukin Bank, loans are limited to SME association members. Business which has been affected by the novel coronavirus infection and experienced a 5 per cent or greater decrease in net sales in the most recent one-month period in comparison to the same period in the previous year or two years ago.	**Capital Subordinated Loans by the DBJ, etc** **Lender** DBJ Shoko Chukin Bank (only for medium-sized enterprises) **Repayment period (deferment period)** Long term lump sum repayment (For loan periods of five years and more, determined individually and based on the needs of the enterprise). **Interest** Ordinary interest. Provided, however that interest is reduced to 0.5 per cent for the initial three-year period for medium-sized enterprises (corporations that are not SME with stated capital under JPY 1bn).	**Capital Subordinated Loans by the DBJ, etc** Within Japan

Sectorial support plans

Jurisdiction	SMEs	Supply chains	Export credit	Specific industries	Other
Japan	1.As described above, loans by JFC, etc and Shoko Chukin Bank; 2.Safety net loans by JFC, etc; 3.Special interest subsidy system (effectively no interest) by JFC, etc and Shoko Chukin Bank. 4.Refinancing of existing debts and effectively making no interest loans by JFC, etc and Shoko Chukin Bank	Subsidies for projects to promote domestic investment for supply chain measures by the Ministry of Economy, Trade and Industry (METI).	Coverage by insurance provided by Nippon Export and Investment Insurance (NEXI) • International trade general insurance ; • SME/agriculture, forestry and fisheries export payment insurance; and • Overseas investment insurance.	1.As described above, health-related business financing (environmental health business loans) by JFC, etc; 2.Special loans by JFC for drastic changes in the sanitary environment for hotel/restaurant/coffee shop businesses. 3.Safety net loans for businesses in agriculture, forestry and fisheries by JFC, etc; and 4.Safety net loans by JFC, etc for environmental health businesses.	1.Subsidy program for rent support by METI 2.Subsidy program for sustaining businesses by METI; 3.Designation and support for businesses subject to subsidy programs against novel coronavirus by METI; 4.Employment adjustment subsidies provided by Ministry of Health, Labour and Welfare (MHLW); and 5.Subsidy programmes promoting work-style reform by MHLW.

Relaxation of regulatory requirements for lenders

Jurisdiction	
Japan	**Postponement of implementation of capital adequacy regulations in Japan** The Financial Services Agency: • announced a one-year extension of the domestic implementation of Basel III finalisation in Japan, taking into account changes in the implementation period under international agreements (implementation starting from March 2023); and • confirmed that the Net Stable Funding Ratio will not be implemented in Japan for at least a one-year period from April 2020, in light of the implementation status in other countries.
Japan	**Announcement on the FSA website of the extension of the deadline for submission of reports by financial institutions** The Financial Services Agency will: • consider flexible responses to reports and notifications from financial institutions whose submission deadlines are fixed by laws and regulations; and • announce that, even for those reports and notifications for which the deadline for submission has not been fixed by laws and regulations, if reports and notifications cannot be prepared due to the effects of the novel coronavirus infection, they should be treated as submitted without delay by submitting them as soon as possible after such circumstances have resolved.

16. Luxembourg

Philippe Dupont, Arendt & Medernach, Philippe.Dupont@arendt.com

Completion date: 09 October 2020

Emergency funding

State-guaranteed loans

Jurisdiction	Size of programme	Terms of guarantee	Eligible borrowers	Terms of loans	Territorial scope/cross-border issues
Luxembourg Governmental Economic Stabilisation Programme (GESP) – Measure 6	€500,000 per business (estimated total budget: €300m).	Covering 50 per cent of operating costs (staff costs and rental costs (up to a maximum of €10,000/month/ undertaking)	SMEs, large undertakings, independent professionals	Repayable advance	Luxembourg/No cross-border issues
Luxembourg Arendt COVID Platform	Maximum €250,000 per guarantee.	Up to 50 per cent of the credit	SMEs, large undertakings, independent professionals.		Luxembourg/No cross-border issues
Luxembourg GESP – 15 and Arendt COVID Platform	Guarantee of new bank credit lines, for which the state guarantees up to 85 per cent for a total amount of €2.5bn	• Covers up to 85 per cent of the amount of principal and interest, leaving the banks at risk for 15 per cent. • Guarantee premiums are set at a minimum level depending on the size on the company and the maturity of the loan. • Only granted where all the other instruments (SNCI, EIB, Office du Ducroire) are not applicable or have already been implemented. • Must be requested by a lending institution that has signed an agreement with the state.	Operational businesses and independent professionals.	Apply to loans granted by credit institutions between 18 March and 31 December 2020. Matures in no more than six months Maximum amount: 25 per cent of the annual turnover of the undertaking.	Luxembourg/No cross-border issues

Sectorial support plans					
Jurisdiction	**SMEs**	**Supply chains**	**Export credit**	**Specific industries**	**Other**
Luxembourg	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

Relaxation of regulatory requirements for lenders					
Jurisdiction	**How should the lender consider payment relief measures when identifying loans in default and foreborne?**	**Impact of the current support and relief measures impact on significant increase in credit risk (SICR) and expected credit losses (ECL) assessments (IFRS 9) and disclosures to be integrated into the financial statements**	**Deadlines for regulatory reporting to the relevant authorities (CSSF, ECB) and postponement of the EU-wide stress test**	**Conditions required for remote access for employees**	**Relationships with consumers**
Luxembourg Arendt COVID Platform	Public and private moratoria, to the extent they are not borrower-specific but rather addressed to broad ranges of product classes or customers, do not have to be automatically classified as forbearance measures, as for IFRS 9 and the definition of default (ie no automatism in the classification). Lenders are still obliged to assess the credit quality of the exposures benefiting from the measures, and appropriately identify any situation of borrowers' unlikeness to pay. Distinction between obligors for which the credit standing would not be significantly affected and those that would be unlikely to restore their creditworthiness. Public and private moratoria may extend the period of 90 days past due on material credit obligation, providing sufficient time to restructure the loans where necessary. Loans can be renegotiated in such a way that the financial position of the lender does not diminish (eg the net present value of cash flows of the loan remains the same after restructuring). Lenders should follow a risk-based approach when facing a substantial number of individual assessments. The EBA decided to phase out of the payment moratoria as of 30 September 2020. As a result, all exposures benefitting from moratoria measure taken after 30 September 2020 will not benefit from the flexibility measures described above and shall be classified into forborne.	ESMA and the EBA have both published statements designed to ensure a coordinated accounting approach to assessing the current support and relief measures. ESMA recommends that issuers make a distinction between measures with an impact on the credit risk over the expected life of the financial instrument, and those which address borrowers' temporary liquidity constraints. As regards SICR: the impact of public support programmes reducing the lifetime risk of default on a financial instrument should be taken into consideration. However, payment relief measures should not in themselves be viewed as an automatic trigger of SICR. ESMA recommends a case-by-case analysis of the conditions of the relief measures, and of whether it is possible to rebut the presumption under IFRS 9 that payment defaults of more than 30 days provide evidence of SICR. As regards ECL: there is no automation that issuers can look to with respect to how contextual factors should impact loan loss provisioning. When making forecasts, issuers should consider the nature of this economic shock (ie whether the Covid-19 effect is expected to be temporary) and the impact that the economic support and relief measures will have. In line with the requirements of IFRS 7 and IAS 1 (Presentation of Financial Statements), ESMA has clarified that issuers should provide any additional information that might enable users of financial statements to understand the overall impact of Covid-19. ESMA reminds issuers that they are expected to disclose the principal risks and uncertainties they face due to the Covid-19 outbreak in their management reports.	Although there is no general pushback of reporting deadlines, the CSSF announced on 23 March 2020 that supervised entities experiencing difficulties to prepare or validate their CSSF reporting should contact the CSSF through their usual channels as soon as possible and ahead of reporting deadlines. Although a timely submission of long form reports is encouraged by the CSSF, audited entities may exceptionally remit their long form reports up to four months after their annual general meeting. The EU-wide stress test will be postponed to 2021 in order to allow banks to prioritise the continuity of their business operations.	Lenders may grant remote access to enable its employees to work from home on an exceptional and temporary basis, subject to satisfactory IT security conditions (eg strong authentication, access from a secure laptop which is managed by the professional for the higher risk functions, logging and ex-post review of any sensitive actions carried out), which shall be defined in proportion to the risks to which it is exposed (in particular, they should take into account the roles in question, the access rights of the relevant employees, the duration of remote access and the sensitivity of the systems and data involved.	Both the EBA and EIOPA have published guidelines on the treatment of consumers, Calling the service providers to exercise a certain level of flexibility since they may temporarily not be able to fulfil their contractual obligations (eg filing a claim in a given timeframe, undergoing a medical check-up, etc).

Stay/rescheduling of statutory time periods

Jurisdiction	Length of protected period	Scope (time bar, registration, unenforceability, inadmissibility, expiry, automatic discontinuance of action, enforcement, voidness, etc) and carve outs	Impact on insolvency and work outs	Territorial scope/cross-border issues
Luxembourg	Not applicable	Not applicable	Not applicable	Not applicable

Stay/rescheduling of contractual obligations

Jurisdiction	Length of protected period	Scope (penalty payments, penal clauses, etc) and carve outs	Can be waived?	Combines with *force majeure*/frustration/ unforeseeability?	Territorial scope/cross-border issues
Luxembourg (GESP – 8)	Not defined	Postpone the repayment of loans to better cope with cashflow difficulties.	Limited to voluntary participating banks only.	Not applicable	Luxembourg/No cross-border issues
Luxembourg (GESP – 9)	Not defined	Suspend principal repayment at 31 March and 30 June maturities for direct and indirect SNCI loans and credit	Not applicable	Not applicable	Luxembourg/No cross-border issues

Temporary changes to insolvency and work outs framework

Jurisdiction	Freeze of assessment of cessation of payments	Freeze/rescheduling of insolvency applications	Extension of time periods within insolvency proceedings (plan, etc)	Other	Impact on restructurings
Luxembourg (GESP – 37)	Suspension of the obligation to make an admission of cessation of payments leading to bankruptcy.	Not applicable	Not applicable	Not applicable	Not applicable

Other issues

Jurisdiction	Regulatory relief measures taken at national level				
Luxembourg	Not applicable	Not applicable	Not applicable	Not applicable	Luxembourg

17. The Netherlands

Eva Schram, De Brauw Blackstone Westbroek, Eva.Schram@debrauw.com

Completion date: 11 September 2020

Emergency funding					
State-guaranteed loans					
Jurisdiction	**Size of programme**	**Terms of guarantee**	**Eligible borrowers**	**Terms of loans**	**Territorial scope/cross-border issues**
Netherlands	GO-C €10bn (covering the previously existing GO-programme and this new GO-C programme)	The previously existing GO-scheme on guaranteeing corporate funds was extended. In addition, the GO-C was introduced to specifically cover corona-related financing. For corona-related financing, 80 per cent or 90 per cent of the lent amount will be guaranteed by the state, while for the GO this will remain 50 per cent of the lent amount.	Eligible borrowers are: • Dutch corporations with substantial activities in the Netherlands; • with satisfactory continuity prospects; • not having made excessive capital withdrawals in the last 12 months; and • have liquidity issues resulting from Covid-19. Corporations operating in the following sectors are excluded from the scheme: • real estate; • financial sector; • healthcare; and • public housing.	The loan must not exceed six years in duration. A minimum amount of borrowing has been set at €1.5m. The maximum is €150m (of which up to €135m can be guaranteed by the state).	Applies to Dutch corporations with substantial activities in the Netherlands.
Netherlands	**BMKB** €1.5bn	The existing scheme on guaranteeing funds for SMEs was extended to specifically cover corona-related financing. For corona-related financing, up to 90 per cent of the financed amount will be guaranteed by the state. The provision to be paid for the guarantee is between 2 per cent and 3 per cent.	In order to qualify the SME must: • be established in the Netherlands, Bonaire, St Eustatius or Saba and be predominantly active in one of these jurisdictions • Have no more than 250 FTE; • a balance that does not exceed €43m, or turnover that does not exceed €50m; • have satisfactory continuity prospects; and • not fall within one of the below listed excluded sectors. SMEs operating in the following sectors are excluded from the scheme: • real estate; • insurance and/or financing companies; • healthcare; • agriculture (not including agriculture companies in the Dutch Caribbean); and • fisheries (not including fisheries companies in the Dutch Caribbean).	The bridging loan may have a maximum duration of four years.	Applies to SMEs established in and predominantly active in the Netherlands, Bonaire, St Eustatius or Saba.

Netherlands	**KKC** €750m	The state will guarantee 95 per cent of the value of bridging loans offered to small businesses.	The borrower must be: • a Dutch company that was registered with the Chamber of Commerce before 1 January 2019; • been profitable prior to the Corona crisis; and • have had a turnover of more than €50.000 prior to the Covid-19 crisis.	The bridging loans should be: • for amounts between €10,000 to €50,000; • have a maximum duration of five years; • at an interest rate of maximum 4 per cent; and • the borrower pays the state a one-off payment of 2 per cent for the guarantee.	Applies to Dutch companies.
Netherlands	**BL-C**	Corporations can finance up to €2.8m, 70 per cent of which is guaranteed by the state. In case of non-listed company the majority shareholder must also personally guarantee 10 per cent of the loan. The costs for the guarantee are equal to 1.5 per cent of the value of the loan or 0.5 per cent for start-ups.	In order to qualify the SME must: • be established in the Netherlands, • have no more than 250 FTE; • a balance that does not exceed €43m, or turnover that does not exceed €50m; • have satisfactory continuity prospects; and • not fall within one of the below listed excluded sectors. SMEs operating in the following sectors are excluded from the scheme: – real estate; – insurance and/or financing companies; – healthcare; – notarial services; – legal services; – bailiff; and – SMEs not primarily active in the agriculture sector.	The loan must have a maximum duration of four years.	Applies to Dutch companies.

Sectorial support plans

Jurisdiction	SMEs	Supply chains	Export credit	Specific industries	Other
Netherlands	**Tegemoetkoming Ondernemers Getroffen Sectoren Covid-19 (TOGS)** A one-time reimbursement of €4,000 was made available to SMEs registered in the Netherlands that are active in specified industries. The following industries are excluded from the scheme: • accommodation; • advertising; • advice, consulting; • art and culture; • cinema; • clothing manufacture; • communication; • conference and exhibition centres; • dance schools;			Agriculture Businesses in the agricultural sector with a dependence on the hospitality industry and businesses in the horticulture sector are entitled to reimbursement of part of their lost turnover resulting from the crisis. The amount is equal to 70 per cent of the expected turnover loss (the turnover loss itself equals 70 per cent of total turnover during the period 12 March 2020 to 11 June 2020).	The biggest support plan issued by the Dutch government is the NOW scheme. To support employers, big and small, whose revenues had been reduced by at least 20 per cent as a result of the coronavirus outbreak, the government has legislated for eligible employers to receive up to 90 per cent of capped salary costs in the form of subsidies during a three-month period. This scheme has been extended until .June 2021.

	• driving schools; • education • food and beverage; • healthcare; • lottery and gambling services; • movable properties; • museums and galleries; • retail; • sports and recreation; • transport and storage; • travel agencies; • wellness; and • wholesale.				
	Tegemoetkoming Vaste Lasten (TVL) The same SMEs that could make use of TOGS could also seek reimbursement of fixed costs up to an amount of €50,000 where the impact of the Dutch government's corona measures led to a loss of turnover of greater than 30 per cent. The same sectors have been excluded as for the TOGS scheme.				
	De Corona-OverbruggingsLening (COL) €100m has been reserved to provide start-ups, scale-ups and innovative SMEs with bridging loans. The height of the loans ranges from €50,000 to €2m.				
	Qredits The 'Qredits' scheme offers microcredit (of up to €25,000) to existing small businesses for a maximum of two years at 2 per cent interest during the first year, rising in the second year to 5.75 per cent.				

Relaxation of regulatory requirements for lenders

Jurisdiction	

Stay/rescheduling of statutory time periods

Jurisdiction	**Length of protected period**	**Scope (time bar, registration, unenforceability, inadmissibility, expiry, automatic discontinuance of action, enforcement, voidness, etc) and carve outs**	**Impact on insolvency and work outs**	**Territorial scope/cross-border issues**
Netherlands	At least three months	Businesses can request deferment of tax payments. A request results in an automatic deferment of three months.	Not applicable	Netherlands

Stay/rescheduling of contractual obligations

Jurisdiction	Length of protected period	Scope (penalty payments, penal clauses, etc) and carve outs	Can be waived?	Combines with *force majeure*/ frustration/unforeseeability?	Territorial scope/cross-border issues

Temporary changes to insolvency and work outs framework

Jurisdiction	Freeze of assessment of cessation of payments	Freeze/rescheduling of insolvency applications	Extension of time periods within insolvency proceedings (plan, etc)	Other	Impact on restructurings
Netherlands	A Bill has been drafted on Temporary Deferral of Payments 2020 (*Tijdelijke Betalingsuitstelwet 2020*). The bill has not been adopted yet and it still in the legislative process. A debtor confronted with an insolvency application filed against them by a creditor, has the right to ask the court to defer the case. If the court grants this request, this also has the consequence that the debtor is granted a deferral of payment vis-à-vis the creditor who filed the insolvency application (in practice this may work like a stay/moratorium). The court will only grant the request if the following requirements are met: • The debtor is temporarily unable to fulfil their payment obligations due to a lack of liquidity; • the liquidity issues are (mainly or exclusively) caused by the government measures due to Covid-19; • before the introduction of these measures, there were no financial difficulties; • the debtor's enterprise has earning capacity and future prospects, and • the creditor who filed for insolvency, is not substantially and unreasonably harmed by the deferment. The deferment is granted for a period of at most two months (with the option to extensd twice for a period of at most two months).	Please see previous column on the Bill on Temporary Deferral of Payments 2020. In addition, Dutch courts have announced that they will be more restrictive with granting insolvency applications, if the financial difficulty of the relevant debtor is caused by Covid-19.	Not applicable	The Temporary Act Covid-19 Justice and Security (*Tijdelijke wet Covid-19 Justitie en Veiligheid*) was introduced. One of the amendments in this Act relates to directors' liability in bankruptcy: Under Dutch law, failing to file annual financial accounts in a timely manner qualifies as mismanagement. Such mismanagement leads to a rebuttable presumption of directors' liability in case of bankruptcy. The bankruptcy trustee can then hold directors personally liable. This Act leads to the following amendment: failing to file annual financial accounts in a timely manner due to Covid-19-related reasons does not qualify as mismanagement in such case (and, hence, not to a presumption of directors' liability in the event of bankruptcy). This article will expire on 1 September 2023.	Please see previous columns. In addition, the Bill on Court Confirmation of Extrajudicial Restructuring Plans (*Wet homologatie onderhands akkoord*, the CERP – also known by its Dutch abbreviation ,WHOA) has been adopted by the Lower House and is pending approval from the Senate. CERP introduced a new restructuring instrument that is inspired by the US Chapter 11 procedure and the UK Scheme of Arrangements. It allows debtors to offer a restructuring plan with many advanced futures, such as a cross-class cram down, restructuring cross-border group financing, deactivation of ipso facto clauses, and many more features. For more on this, please see www.debrauw.com/cerp.

Other issues

Jurisdiction	Regulatory relief measures taken at national level				
Netherlands	The Dutch Central Bank has followed the guidance issued by the ECB in relation to the capital buffers for banks and the prohibition on dividend payments by banks. The Dutch Financial Markets Authority has indicated it will be lenient when it come to the deadlines for reporting obligations as suggested by ESMA. However, no specific extension of the deadlines has been publicised.				

18. Nigeria

Olusina Sipasi, Aelex, osipasi@aelex.com

Completion date: 14 September 2020

Emergency funding					
State-guaranteed loans					
Jurisdiction	**Size of programme**	**Terms of guarantee**	**Eligible borrowers**	**Terms of loans**	**Territorial scope/cross-border issues**
Nigeria	Central Bank of Nigeria (CBN) NGN 50bn targeted credit facility (TCF), funded from the Micro, Small nd Medium Enterprises Development Fund (MSMEDF).	Any one or more of the following is accepted by the participating financial institution, NIRSAL Micro Finance Bank, as collateral: • Moveable asset(s) duly registered on the National Collateral Registry (NCR). • Simple deposit of title documents, in perfectible state. • Deed of Debenture (for stocks), in perfectible state • Irrevocable domiciliation of proceeds • Two acceptable guarantors • Personal guarantee of the promoter of the business • Life insurance of the key man, with NMFB noted as the first loss payee • Comprehensive Insurance over the asset	Households and MSMEs with verifiable evidence of livelihood/ business activities adversely affected by Covid-19. MSMEs with bankable plans to take advantage of opportunities arising from Covid-19.	Loan amount for SMEs to be determined based on the activity, cashflow and industry/segment size of beneficiary, subject to a maximum of NGN 25m. Maximum of NGN 3m for households. Where loan is for working capital, a maximum of 25 per cent of the average of the previous three years' annual turnover. Where the enterprise is not up to three years in operation, 25 per cent of the previous year's turnover will suffice. Interest rate of 5 per cent until 28 February 2021 and 9 per cent from 1 March 2021. Loan tenure is maximum of one year for working capital with no option for rollover, and not more than three years for term loans, with at least one-year moratorium. Interest and principal repayment is on instalment basis according to the nature of the enterprise and the repayment schedule.	Nationwide

Nigeria	CBN NGN 100bn credit support for the healthcare sector, funded from the Real Sector Support Facility-Differentiated Cash Reserves Requirement (RSSF-DCRR)	Collateral to be pledged as required under the RSSF-DCRR	Healthcare product manufacturers, healthcare service providers/ medical facilities; pharmaceutical/ medical products distributors and logistics services, and other human healthcare service providers as may be determined by the CBN.	Maximum of NGN 2bn per obligor for term loan Where loan is for working capital, a maximum of 20 per cent of the average of three years' turnover subject to a maximum of N500m per obligor. Where the enterprise is not up to three years in operation, 20 per cent of the previous year's turnover will suffice. Interest rate of 5 per cent until 28 February 2021 and 9 per cent from 1 March 2021. Loan tenure is maximum of one year for working capital with option for rollover not more than three years, and maximum of not more than 10 years for term loan, with a maximum of one-year moratorium on repayment. Interest and principal repayment is made on instalment basis in accordance with the repayment schedule.	Nationwide

Sectorial support plans

Jurisdiction	SMEs	Supply chains	Export credit	Specific industries	Other
Nigeria	80 per cent discount on registration of products by new MSMEs at the National Agency for Food and Drugs Administration and Control (NAFDAC) for six months. Waiver of administrative charges for overdue/late renewal of expired licenses of products for a period of 90 days.	Three-month repayment moratorium for all TraderMoni, MarketMoni and FarmerMoni loans.		CBN's approval permitting Organised Private Sector to guarantee applications for intervention loans made by their members.	Proposed CBN NGN 1tn stimulus package to boost local manufacturing and import substitution.
Nigeria		Moratorium for all federal government-funded loans issued by the Bank of Industry, Bank of Agriculture and the Nigeria Export Import Bank.		CBN's Healthcare Sector Research and Development Intervention Scheme (HSRDIS) grant to help strengthen the public healthcare system with innovative financing of R&D in new and improved drugs, vaccines and diagnostics of infectious diseases in Nigeria.	Federal government waiver of import duty on medical equipment, medicines, protection equipment for the treatment of Covid-19

				Banking sector CBN's Monetary Policy Committee agreed to: • reduce the monetary policy rate (MPR) to 12.5 per cent; • retain the Asymmetric Corridor of +200/-500 basis points around the MPR; • retain the CRR at 27.5 per cent; and • Retain the liquidity ratio at 30 per cent.	

Relaxation of regulatory requirements for lenders

Jurisdiction	
Nigeria	CBN granted approval to deposit money banks (DMBs) to consider temporary and time-limited restructuring of tenure and loan terms of facilities for businesses and households most affected by Covid-19, particularly oil and gas, agriculture and manufacturing. The restructuring is to be carried out, while maintaining the individual DMBs' financial strength and overall financial stability of the system.
Nigeria	CBN extended the deadlines issued to microfinance banks to comply with the revised minimum capital requirements. MFBs operating in rural, unbanked and underbanked areas (Tier 2) shall meet the NGN 35m capital threshold by April 2021 and NGN 50m by April 2022; MFBs operating in urban and high density banked areas (Tier 1) shall meet the NGN 100m capital threshold by April 2021 and NGN 200m by April 2022. States MFBs are to increase their capital to NGN 500m by April 2021 and NGN 1bn by April 2022; while National MFBs to increase their minimum capital to NGN 3.5bm by April 2021 and NGN 5bn by April 2022.

Stay/rescheduling of statutory time periods

Jurisdiction	Length of protected period	Scope (time bar, registration, unenforceability, inadmissibility, expiry, automatic discontinuance of action, enforcement, voidness, etc) and carve outs	Impact on insolvency and work outs	Territorial scope/cross-border issues
Nigeria	Between 21st day of the month to the last business day of the month, following the month of deduction.	Extension of the due date for filing of value added tax (VAT) and withholding tax (WHT) returns from the 21st day of the month to the last business day of the month, following the month of deduction.		Nationwide
Nigeria	One month	Extension of the due date (six months from accounting year end) for filing of the company's income tax (CIT) return by one month.		Nationwide
Nigeria	31 May 2020 – 30 September 2020	Extension of the deadline for financial institutions to file their annual returns for Automatic Exchange of Information-Common Reporting Standard (AEOI–CRS).		Nationwide
Nigeria		Waiver of late returns penalty for taxpayers who pay their tax liabilities early but submit their tax returns later.		Nationwide

Stay/rescheduling of contractual obligations

Jurisdiction	Length of protected period	Scope (penalty payments, penal clauses, etc) and carve outs	Can be waived?	Combines with force majeure/ frustration/unforeseeability?	Territorial scope/cross-border issues

Temporary changes to insolvency and work outs framework

Jurisdiction	Freeze of assessment of cessation of payments	Freeze/rescheduling of insolvency applications	Extension of time periods within insolvency proceedings (plan, etc)	Other	Impact on restructurings

Other issues

Jurisdiction	Regulatory relief measures taken at national level
Nigeria	A one-year extension of a moratorium on principal repayments for CBN intervention facilities.
Nigeria	Reduction of interest rate on CBN intervention loans from 9 per cent to 5 per cent.
Nigeria	Federal Inland Revenue Service (FIRS) approval of the use of electronic platforms for paying taxes, processing tax clearance certificates and filing of tax returns.
Nigeria	FIRS approval of the filing of tax returns by taxpayers without audited financial statements which must be submitted within two months of the revised due date of filing
Nigeria	Proposal of an Emergency Economic Stimulus Bill 2020 to provide for a 50 per cent income tax rebate on the actual amount due or paid as PAYE tax by employers that retain employees from 1 March 2020 to 31 December 2020, deferral of payment of mortgages under the National Housing Fund for 180 days and a waiver of import duties on medical equipment, medicines, PPEs and other medical necessities.

19. Peru

Luis Enrique Palacios, Augusto Cáceres Vega, Rodrigo, Elías & Medrano Abogados, LPalacios@EstudioRodrigo.com

Completion date: 18 September 2020

Emergency funding

State-guaranteed loans

Jurisdiction	Size of programme	Terms of guarantee	Eligible borrowers	Terms of loans	Territorial scope/cross-border issues
Peru	**Reactiva Peru Program** PEN 60bn (approximately US$18bn)	Government guarantees to finance liquidity needs. Loan guarantees cover from 80 per cent up to 98 per cent of the loans, to be granted through the private banking system. Liquidity comes from repo transactions with the Peruvian Central Bank through an auction process to ensure lower interest rates.	Companies and self-employed persons that meet the following criteria: • Not having coercive collection proceedings exceeding PEN 4,300. • Normal business risk classification. • Cannot be related to the financial institution granting the loan, sanctioned for anti-corruption matters or conducts certain excluded activities (such as alcohol or tobacco production, casinos, weapons, among others).	• Finances working capital. • Term of 36 months with a 12-month grace period. • Loans amount cannot exceed PEN 10m (approximately US$3m) per beneficiary. • Funds cannot be used for acquisition of assets or payment of other credit facilities. • Borrowers are not permitted to declare or pay dividends to shareholders or prepay existing credit facilities.	Not applicable
Peru	**FAE-MYPE Program** PEN 800m (approximately US$245m)	Government guarantees to finance loans granted through banks, municipal savings and credit unions and private credit unions. Guarantees will cover from 90 per cent up to 98 per cent of the loans.	Specific liquidity needs of micro and small companies that meet the following criteria: • Must be micro and small companies. • Normal business risk classification. • Cannot be related to the financial institution granting the loan or sanctioned for anticorruption matters. • Shall not be beneficiaries of the abovementioned Reactiva Peru program.	• Finances working capital. • Term of 36 months with a 12-month grace period. • Borrowers are not permitted to prepay existing credit facilities.	Not applicable

Sectorial support plans

Jurisdiction	SMEs	Supply chains	Export credit	Specific industries	Other
Peru	**FAE-MYPE** (see above).			**Mining** Mining concession title-owners have until 30 September 2020 to submit evidence of their compliance with the minimum production requirements for 2019. Additionally, mining concession title-owners will now have until 30 September 2020 to pay their concession rights for 2020. Also, public transport operators were granted a subsidy to continue operations, calculated based on their operational costs.	

Relaxation of regulatory requirements for lenders

Jurisdiction	

Stay/rescheduling of statutory time periods

Jurisdiction	Length of protected period	Scope (time bar, registration, unenforceability, inadmissibility, expiry, automatic discontinuance of action, enforcement, voidness, etc) and carve outs	Impact on insolvency and work outs	Territorial scope/cross-border issues
Peru	State of emergency	The Superintendencia de Banca Seguros y AFP (SBS, the Peruvian financial industry regulator) allowed the financial entities to modify the agreements without contacting each client (who must have not defaulted in its payments). Such extensions can be granted for up to six months, are not to be considered a refinancing nor a downgrade in the client's business risk classification. Also, see below regarding *force majeure* application.		

Stay/rescheduling of contractual obligations

Jurisdiction	Length of protected period	Scope (penalty payments, penal clauses, etc) and carve outs	Can be waived?	Combines with *force majeure*/ frustration/unforeseeability?	Territorial scope/cross-border issues
Peru	State of emergency	Although there is no specific measure enacted during the pandemic, the limitation to the freedom of transit decreed by the Peruvian State may constitute a situation of *force majeure* regulated in article 1315 of the Civil Code, pursuant to which the failure to comply with legal or contractual obligations due to events deemed fortuitous or *force majeure* may not be considered as a punishable breach of such obligations. Circumstances must be analysed on a case-by-case basis.		Yes.	

Temporary changes to insolvency and work outs framework

Jurisdiction	Freeze of assessment of cessation of payments	Freeze/rescheduling of insolvency applications	Extension of time periods within insolvency proceedings (plan, etc)	Other	Impact on restructurings
Peru				A new transitory bankruptcy regime was created. The Bankruptcy Refinancing Expedited Procedure (PARC, for its Spanish acronym) is an exceptional and transitory insolvency regime that will enable companies to negotiate with their creditors and agree rescheduled payments of debt based on a Business Refinancing Plan.	

Other issues

Jurisdiction	Regulatory relief measures taken at national level

20. Poland

Lukasz Szegda, Wardynski & Partners, lukasz.szegda@wardynski.com.pl

Completion date: 15 September 2020

Emergency funding

State-guaranteed loans

Jurisdiction	Size of programme	Terms of guarantee	Eligible borrowers	Terms of loans	Territorial scope/Cross-border issues
Poland **Guarantees from the Liquidity Guarantee Fund**	Approximately €23bn	Guarantees issued for revolving loans. Coverage up to 80 per cent of the loan principal – maximum guarantee amount approximately €45m. Guarantee period: up to 27 months. Availability period: 31 December 2020.	Medium-sized and large enterprises which were not in arrears with taxes or social insurance contributions, or toward their lenders, as of 1 February 2020.	Revolving loans in current accounts and lines of credit, new or renewed after 1 March 2020. Loan principal: up to approximately €57million	Poland
Poland ***De minimis* guarantees offered by Bank Gospodarstwa Krajowego – the national development bank**		These guarantees were available before the pandemic but their terms were adjusted to reduce the negative impact of the pandemic. Coverage up to 80 per cent of the loan principal – maximum guarantee: approximately €792,000. No commission on the first 12 months of guarantee period. Guarantee period: 39 months for revolving loans. Availability period for guarantees with amended terms: 31 December 2020.	SMEs and micro enterprises which were not in arrears with taxes or social insurance contributions as of 1 February 2020.		Poland
Poland ***BusinessMax* guarantees and interest subsidies offered by Bank Gospodarstwa Krajowego.**		These guarantees were available before the pandemic but their terms were adjusted to reduce the negative impact of the pandemic (until 31 December 2020). Maximum guarantee: €2.5m. This programme also provides for interest rate subsidies, payable by the guarantor.	SMEs	The entrepreneur must meet one of the 17 criteria or implement a project that falls into one of the ten categories of investment with an environmental effect.	Poland

Poland **Factoring guarantees offered by Bank Gospodarstwa Krajowego.**	Approximately €2.6bn	Subject of the guarantee: factoring limit in PLN or in foreign currency. Coverage: up to 80 per cent of the factoring limit – maximum guarantee: approximately €44.9m. Guarantee period: up to 24 months. Availability period: 31 December 2020.	All enterprises	Type of factoring: recourse or reverse factoring. Maximum factoring limit: approximately €56m. Maturity of invoices: no more than six months from the date of issue to the date of payment (only invoices issued after 1 March 2020).	Poland

Other forms of emergency funding

Jurisdiction	Size of programme	Terms of programme	Eligible borrowers	Terms of loans	Territorial scope/Cross-border issues
Poland **Financing from the Polish Development Fund (*Financial Shield*) for large enterprises**	Approximately €5.7bn	Preferential loans of up to approximately €1.7bn (up to 75 per cent of the loan can be redeemed later). Loans/bonds/acquisition of receivables or payables/guarantees for liquidity purposes of up to approximately €2.26bn, on an arm's length basis. Investment (capital) financing on an arm's length basis or auxiliary financing, eg in the form of acquiring shares, up to approximately €1.7bn.	Large enterprises (and, to a imited extent, also medium-sized enterprises), which suffered a decline in sales or other disruptions in operations due to Covid-19, have no pending liquidation or bankruptcy/restructuring proceedings, were carrying on business activities as on 31 December 2019, with no tax or social insurance contribution arrears as on 31 December 2019 or as on the date of application.	Maximum amount available per enterprise: • approximately €170m under preferential loans; or • approximately €226m under liquidity financing; or • approximately €226m under investment financing.	Poland Tax residency of the enterprise in the EEA, registration of the enterprise in Poland, and no tax residency in a tax haven of the ultimate beneficial owner (within the meaning of the AML Act).
Poland **Interest subsidies**		Subsidies apply to interest on revolving loans. Subsidies are granted for a maximum of 12 months and for a maximum two pp. in the case of SMEs, or one pp. in the case of large enterprises. Availability period: 31 December 2020.	All enterprises which, as a result of Covid-19, have lost financial liquidity or are in danger of losing liquidity. An enterprise cannot be 'in difficulty' within the meaning of the EU's state aid regulations and must carry on its business in Poland (unless it suspended operations after 1 February 2020 due to the epidemic).	Revolving loans in PLN – new or existing.	Poland
Poland **Working capital loan offered by the Industrial Development Agency (ARP)**		Working capital loans for financing working capital deficits.	SMEs with a turnover of approximately €1m, positive EBITDA and net profit for 2019, maintaining comprehensive bookkeeping.	Loans of approximately €181,000–€1.13m. Financing period up to six years. Grace period for capital repayment up to 15 months.	Poland

Sectorial support plans

Jurisdiction	SMEs	Supply chains	Export credit	Specific industries	Other
Poland			A range of instruments offered by the Export Credit Insurance Corporation (KUKE)		
Poland				Transport industry: a special leasing product offered by the Industrial Development Agency (ARP) to SMEs.	
Poland				New technologies sector: changes in the rules for tech loans offered by Bank Gospodarstwa Krajowego.	
Poland	Liquidity financing (the Intelligent Development Programme) by Bank Gospodarstwa Krajowego.				
				Telecommunications sector: so-called *brodband loans* offered by the National Development Fund	

Relaxation of regulatory requirements for lenders

Jurisdiction	
Poland	The National Bank of Poland waived the systemic risk buffer which resulted in lower minimum requirements for own funds and eligible liabilities (MREL) and the release of approx €6.74bn to the banks.
Poland	Postponement of implementation of (or loosening) certain regulatory requirements of the Financial Supervisory Authority (eg the recommendation concerning good practices related to credit exposures).

Stay/rescheduling of statutory time periods

Jurisdiction	Length of protected period	Scope (time bar, registration, unenforceability, inadmissibility, expiry, automatic discontinuance of action, enforcement, voidness, etc) and carve outs	Impact on insolvency and work-outs	Territorial scope/Cross-border issues
Poland **The Code of Civil Procedure – enforcement proceedings**	During the state of pandemic and 90 days thereafter.	The date of the auction of residential properties satisfying debtor's housing needs will only be scheduled upon creditor's request. The creditor shall be entitled to submit such request if the principal amount subject to enforcement is equal to at least one-twentieth of the estimated value of the property. A residential property used to satisfy debtor's housing needs will not be auctioned off during the state of epidemic and 90 days thereafter.	Improving debtor's position at the cost of reducing the possibility of satisfying creditors using this method of enforcement and postponing creditor satisfaction.	Poland

Stay/rescheduling of contractual obligations

Jurisdiction	Length of protected period	Scope (penalty payments, penal clauses, etc) and carve-outs	Can be waived?	Combines with *force majeure*/ frustration/unforeseeability?	Territorial scope/Cross-border issues
Poland **Possibility of changing the terms and conditions of facility agreements and their repayment dates**	Period agreed between the bank and the borrower.	The regulation applies to facilities granted to entrepreneurs or non-governmental organisations under banking law. Changes in terms and conditions and in repayment dates may be introduced to all agreements for which financing was granted before 8 March 2020. Changes will be made on terms agreed upon by the bank and the borrower, but they must not be detrimental to the borrower's financial and economic situation.		No	Poland
Poland **Moratorium on loan repayment**	Period indicated by the borrower in the application – not longer than three months.	The regulation applies to consumer loans, mortgage loans and facilities within the meaning of Polish banking law if the borrower is a consumer. The repayment of loans or facilities granted to borrowers who have lost their job or another main source of income after 13 March 2020 is suspended automatically after the borrower submits an application for suspension.		No	Poland

Temporary changes to insolvency and work- outs framework

Jurisdiction	Freeze of assessment of cessation of payments	Freeze/rescheduling of insolvency applications	Extension of time periods within insolvency proceedings (plan, etc)	Other	Impact on restructurings
Poland				Simplified restructuring proceedings – the regulation will be in force until 30 June 2021.	Debtors are protected against enforcement from the moment when the start of simplified restructuring proceedings is declared. Such proceedings shall not last longer than approximately four months.

Other issues

Jurisdiction	Regulatory relief measures taken at national level
Not applicable	Not applicable

21. Russia

Denis Kachkin, Kachkin & Partners, denis.kachkin@kachkin.ru

Completion date: 21 September 2020

Emergency Funding					
State-guaranteed loans[49]					
Jurisdiction	**Size of programme**	**Terms of guarantee**	**Eligible borrowers**	**Terms of loans**	**Territorial scope/cross-border issues**
Russia[50]	-	Banks extend emergency loans to support and maintain employment at a reduced rate: 0 per cent for the subsidy period. Banks' revenue shortcomings under these loans shall be compensated from the federal budget at a rate of 4 per cent per annum. The share of loan agreements entered into with those borrowers that are SMEs and that qualify for a 'small enterprise' or a 'microenterprise' should be at least 40 per cent.	Loan can be extended to a legal entity or individual entrepreneur that/who, for at least one year, conducted an activity set out in the list of the Russian economic sectors that were the most affected amid the deteriorating situation caused by the spread of the novel coronavirus infection (most affected sectors). Borrower that does not qualify for a 'small enterprise' or a 'microenterprise' maintains at least 90 per cent of employees compared to the preceding month. Loan agreement is entered into for the period from 30 March 2020 through to 1 October 2020 for the term not exceeding 12 months.	The size of loan shall be determined based on the minimum regulatory labor remuneration and contributions to funds. The rate shall be subsidised for not more than six months and the subsidising period shall end not later than 30 November 2020. Upon termination of the subsidy period, the rate shall be set at the level not exceeding the one received by the bank under the preferential refinancing programs of the Central Bank of the Russian Federation (CBRF). Loan may be used to compensate the expenses associated with paying salaries and mandatory accruals thereon.	-

49 The examples below are provided based on the broad interpretation of this concept (including subsidising of banks in respect of per cent rate by the state)

50 Resolution of the Government of the Russian Federation of 2 April 2020 No. 422 'On Approval of the Rules of Provision of Subsidies from the Federal Budget to Russian Credit Institutions to Compensate Their Revenue Shortcomings under Emergency Loans Extended in 2020 to Legal Entities and Individual Entrepreneurs to Support and Maintain Employment'.

Russia[51]	Over RUB 460bn.[52]	As a general rule, banks extend loans for renewal of operations of organisations at a rate not exceeding 2 per cent per annum. Banks' revenue shortcomings under these loans shall be compensated from the federal budget at a rate of 7 per cent per annum plus a flat sum for each loan agreement. Banks are also granted a subsidy to write off loan indebtedness in some cases.	Loan can be extended to: • a socially-oriented non-profit-making organisation entered on the register of the most affected organisations amid the deteriorating situation caused by the spread of the novel coronavirus infection; • an organisation (individual entrepreneur) operating in the most affected sectors; or • an organisation (individual entrepreneur) operating in a Russian economy sector that requires support in order to resume its operations. Loan agreement is entered into for the period from 1 June 2020 through to 1 November 2020 to resume operations for the term through to 30 June 2021.	The size of loan shall be determined based on the minimum regulatory labor remuneration and contributions to funds. Loan may be used, inter alia, to pay salaries, repay some previously extended loans. If borrower maintains certain percentage of employees and meets some other requirements, the loan indebtedness shall be written off. The rate can be increased if the loan requirements are breached, including the requirement on maintenance of certain per cent of employees.	-

51 Resolution of the Government of the Russian Federation No. 696 of 16 May 2020 'On Approval of the Rules of Provision of Subsidies from the Federal Budget to Russian Credit Institutions to Compensate Their Revenue Shortcomings under Loans Extended in 2020 to Legal Entities and Individual Entrepreneurs to Resume Their Operations'.

52 https://rg.ru/2020/07/07/lgotnye-kredity-biznesu-pod-2-podderzhali-bolee-3-mln-rabochih-mest.html.

Russia[53]		Banks extend working capital loans to systemically important ('too big to fail') organisations and their subsidiaries at a reduced rate not exceeding 5 per cent per annum. Banks' revenue shortcomings under these loans shall be compensated from the federal budget at a rate equal to the key rate set by the CBRF.	Loan can be extended to a systemically important organisation entered on the list of such organisations and meeting the requisite criteria or on additional grounds and (or) to a subsidiary of such organisation. The qualifying organisation should operate in the sectors determined by the Russian Government. As a general rule, borrower's revenue shall be reduced by 20–30 per cent compared to 2019. Borrower undertakes to maintain, for the subsidy period, at least 90 per cent of personnel compared to the number of employees as of 1 May 2020. Loan agreement is entered into in 2020 after the rules on interest rate subsidy became effective.	As a general rule, loan is extended in the amount not exceeding RUB 3bn for the term up to 36 months at a rate not exceeding 5 per cent per annum for the period of subsidising. The size of loan may be up to RUB 5bn if certain requirements are met, including if there were at least 10 thousand employees in 2019. The subsidy period of shall not exceed 12 months and shall end not later than 31 December 2021. Loan is extended for expressly provided broad range of expenses: to pay labour remuneration, pay premises and equipment lease, pay taxes, etc. Borrower may seek state guarantee under the loan agreement.	-
Russia[54]	Total amount of loans under which banks' revenue shortcomings are compensated equals up to RUB 900bn.	Banks extend residential (mortgage) loans to borrowers at a reduced rate not exceeding 6.5 per cent per annum. Banks' revenue shortcomings under these loans shall be compensated from the federal budget to the effect that a rate actually equals the key rate set by the CBRF plus three percentage points.	Loan can be extended to: • borrower to acquire residential premises under construction; or • borrower to acquire residential premises from developer. Loan agreement shall be entered into from 17 April 2020 through to 1 November 2020.	The maximum loan size is RUB 6m; RUB 12m for residential premises in Moscow, the Moscow Region, Saint Petersburg and the Leningrad Region. The down payment shall be at least 15 per cent of the loan.	-

53 Resolution of the Government of the Russian Federation No. 582 of 24 April 2020 'On Approval of the Rules of Provision of Subsidies from the Federal Budget to Russian Credit Institutions to Compensate Their Revenue Shortcomings under Working Capital Loans Extended in 2020 to Systematically Important Organizations and Their Subsidiaries'.

54 Resolution of the Government of the Russian Federation No. 566 of 24 April 2020 'On Approval of the Rules of Compensation to Russian Credit Institutions of Their Revenue Shortcomings under the Residential (Mortgage) Credits (Loans) Extended to Russian Citizens in 2020'.

Sectorial Support Plans					
Jurisdiction	**SMEs**	**Supply chains**	**Export credit**	**Specific industries**	**Other**
Russia	**Subsidies to SMEs to pay labour remuneration of their employees.**[55] Subsidies are granted in 2020 to those SMEs that operate in the most affected sectors. Subsidies are intended to partially compensate expenses, including those associated with maintenance of employment and payment of labor remunerations to their employees in April and May 2020. The size of subsidy (as a general rule) represents the product of the value of minimum living wage (RUB 12,130) by number of employees in March 2020. Number of employees of the recipient of subsidy in the month for which he is subsidised shall be at least 90 per cent of the number of employees in March 2020 or shall be reduced by one employee maximum compared to the number of employees in March 2020. Total maximum size of subsidies under the program is RUB 104.3bn. **SME borrower may suspend performance under loan agreement entered into before 3 April 2020 (repayment holiday).**[56] Rules apply to SMEs operating in the most affected sectors. Instead of suspension, it is permissible to claim reduction of the size of payments during the grace period. The grace periods shall not exceed 6 months.	Deferral or instalment plan granted to the owners of trade facilities in respect of payment of corporate property tax, land tax and advance payment under these taxes, personal property tax matured in 2020.[57] These advantages may be granted to those organisations or individual entrepreneurs that/who allowed a lease payment deferral under trade facilities lease agreements and when their performance is reduced. A deferral, as the case may be, may be granted for the term from three months to one year; an instalment plan – up to five years.	The state export credit program for 2020 and the scheduled period of 2021 and 2020 is approved by the federal law on the budget in a classified manner (not published).	Subsidies in various spheres, in particular: Budget monies to the development of the automotive industry. Not less than RUB 25bn in total. Russian shipping companies[58] engaged in sea and river cruises in order to compensate their expenses under agreements entered into by these shipping companies with Russian leasing companies.[59] RUB 320m in total. Russian air transportation organisations[60] in order to compensate expenses incurred as a result of evacuation of citizens from foreign states where an adverse situation associated with the spread of the novel coronavirus infection has arisen.	

55 Resolution of the Government of the Russian Federation No. 576 of 24 April 2020 'On Approval of the Rules of Subsidizing, in 2020, from the Federal Budget of Small and Medium-Sized Enterprises Operating in the Russian Economy Sectors that Were Most Affected amid the Deteriorating Situation Caused by the Spread of the Novel Coronavirus Infection', Instruction of the Government of the Russian Federation No. 1229-p of 8 May 2020 'On Making, in 2020, Budgetary Allocation to Subsidize Small and Medium-Sized Enterprises Operating in the Russian Economy Sectors that Were Most Affected amid the Deteriorating Situation Caused by the Spread of the Novel Coronavirus Infection'.

56 Art. 7 of Federal Law No. 106-FZ of 3 April 2020 'On Amending the Federal Law 'On the Central Bank of the Russian Federation (Bank of Russia)' and Specific Regulations of the Russian Federation to the Extent Related to Special Aspects of Amending of Credit/Loan Agreement Terms'.

57 Exhibit to Resolution of the Government of the Russian Federation No. 409 of 2 April 2020 'On the Measures Ensuring Sustainable Development of Economy'.
Resolution of the Government of the Russian Federation No. 439 of 3 April 2020 'On Setting the Requirements to the Conditions and Terms of Lease Payment Deferral under Real Estate Lease Agreements'.

58 Instruction of the Government of the Russian Federation No. 1374-p of 22 May 2020 'On Making Budgetary Allocation to Subsidize the Development of the Automotive Industry'.

59 Resolution of the Government of the Russian Federation No. 1013 of 10 July 2020 'On Approval of the Rules of Subsidizing, in 2020, from the Federal Budget of Russian Shipping Companies Engaged in Sea and River Cruises in Order to Compensate Their Expenses under Agreements Entered into by These Shipping Companies with Russian Leasing Companies'.
Instruction of the Government of the Russian Federation No. 1793-p of 10 July 2020 'On Making Budgetary Allocation to Rosmorrechflot from the Reserve Fund of the Government of the Russian Federation in Order to Subsidize Russian Shipping Companies Engaged in Sea and River Cruises to Compensate Their Expenses under Agreements Entered into by These Shipping Companies with Russian Leasing Companies'.

60 Resolution of the Government of the Russian Federation No. 466 of 9 April 2020 'On Approval of the Rules of Subsidizing, in 2020, from the Federal Budget of Russian Air Transportation Organizations to Compensate Expenses Incurred as a Result of Evacuation of Citizens from Foreign States Where an Adverse Situation Associated with the Spread of the Novel Coronavirus Infection Has Arisen'.

	Release from obligations Release from obligation to pay certain taxes, advance payments in respect of taxes/levies; reduced insurance contributions tariffs; expansion of payment term in respect of certain taxes (advance payments), insurance contributions[61] Covers SMEs operating in the most affected sectors (for some measures the status of a SME is enough). In particular, an exemption is provided in respect of certain advance payments related to corporate profits tax, corporate property tax, to the extent related to tax and advance payments from 1 April 2020 through to 30 June 2020, etc. In respect to payments and other remunerations payable to individuals accrued for April, May, June 2020, a reduced insurance contribution tariff applies of 0 per cent. A reduced insurance contribution tariff applies through to the end of 2020, followed by constant reduction of insurance contribution tariffs starting from 2021. Extension of payment term for certain taxes (advance payments), insurance contributions is provided from three to six months. **Subsidies to conduct measures aimed at prevention of the novel coronavirus infections** Size: RUB 150,000 and ongoing expenses calculated as the product of RUB 6,500 by number of employees in May 2020.[62]			Tour operators[63] to compensate expenses incurred in connection with refund of monies to those tourists in respect of whom the services related to air carriage under tourist products formed by the tour operator were not in fact provided and to ensure evacuation of tourists from the states where an adverse situation associated with the spread of the novel coronavirus infection has arisen. RUB 3.5bn in total. Regulatory and supervisory relaxations introduced by the CBRF[64] for management companies, specialised depositaries, non-state pension funds, securities market professionals engaged in dealer activity, brokerage activity, fiduciary management activity, forex dealer activity, investment consulting activity, depositary activity, activity related to maintenance of securities owners registers, and bidding process organisers, clearing houses and repositories, subjects of the national payment system that operate payment systems, payment infrastructure service providers, money transfer operators, insurance entities, microfinancing market entities.	

61 Arts. 2, 3 of Federal Law No. 172-FZ of 8 June 2020 'On Amending the Second Part of the Tax Code of the Russian Federation'.
Arts. 2, 4-6 of Federal Law No. 102-FZ of 1 April 2020 'On Amending the First and the Second Part of the Tax Code of the Russian Federation and Specific Regulations of the Russian Federation'.
Cl. 1 of Resolution of the Government of the Russian Federation No. 409 of 2 April 2020 'On the Measures Ensuring Sustainable Development of Economy'.

62 Resolution of the Government of the Russian Federation No. 976 of 2 July 2020 'On Approval of the Rules of Subsidizing, in 2020, from the Federal Budget of Small and Medium-Sized Enterprises and Socially-Oriented Nonprofitmaking Organizations to Conduct Measures to Prevent of the Novel Coronavirus Infection'.

63 Resolution of the Government of the Russian Federation No. 583 of 25 April 2020 'On Approval of the Rules of Subsidizing, in 2020, from the Federal Budget of Tour Operators to Compensate Expenses Incurred While Assuming Measures Caused by the Novel Coronavirus Infection'.
Resolution of the Government of the Russian Federation No. 909-р of 7 April 2020 'On Making Budgetary Allocation to Rosturism from the Reserve Fund of the Government of the Russian Federation in Order to Subsidize, in 2020, Tour Operators to Compensate Their Expenses'.

64 Letter of the Bank of Russia No. 015-54/2082 of 20 March 2020 'On Package of Measures to Support the Pooled Investment Market'.
Information Letter of the Bank of Russia No. ИН-015-44/25 of 20 March 2020 'On Package of Measures to Support the Microfinancing Market'.
Letter of the Bank of Russia No. 015-55/2060 of 23 March 2020 'On the Measures to Support the Securities Market Players amid the Coronavirus Pandemic'.
Information Letter of the Bank of Russia No. ИН-04-45/43 of 31 March 2020 'On Avoidance of Measures, Actions and Compulsion Measures in Respect of Payment Systems Operators, Payment Infrastructure Service Providers, Money Transfer Operators'.
Information Letter of the Bank of Russia No. ИН-015-55/50 of 6 April 2020 'On the Measures to Support Financial Market Players amid the Coronavirus Pandemic'.
Information Letter of the Bank of Russia No. ИН-015-53/63 of 10 April 2020 'On Additional Measures to Support the Insurance Market'.

	Types of unscheduled and scheduled audits of SMEs are reduced.[65] **Real estate leases** An SME lessee operating in the most affected sectors may claim amending his real estate lease agreement (irrespective of the form of ownership) entered into in 2020 before high alert or emergency situation regime was introduced in the region, specifically[66]: The lessee may claim reduction of lease payment for the term up to one year in respect of real estate used by the lessee to carry out the foregoing activities. In the event of failure to agree lease payment reduction or other amendment of the agreement within 14 business days, the lessee, before 1 October 2020, may repudiate the lease agreement. Loss of profit, losses caused by termination of agreement associated solely with early termination thereof, other monies shall not be recovered from the lessee if under the agreement the lessee's right to unilateral repudiation is conditioned by the need to pay certain sum of money; a security deposit, if paid to the landlord, shall not be returned. Other losses (monies) shall be compensated (repaid) as prescribed by civil laws. Under federal property lease agreement, the lessee shall be exempt from lease payments over the period from 1 April 2020 through to 1 July 2020. In some cases when SME buys a leased state or municipal real estate on the instalment plan, the seller must, upon demand of the SME, amend the real estate sale and purchase agreement entered into before the decision on introducing the high alter or emergency situation regime was adopted in 2020.[67] Such amendment should provide for deferral of payments payable in 2020 for the term from six to 12 months.			Suspension of audits, extended time to comply with improvement orders and requests, restrictions in respect of application of administrative sanctions, those for failure to submit accounts, etc.	

Relaxation of regulatory requirements for lenders

Jurisdiction	
Russia[68]	SME borrowers may suspend performance under a loan agreement entered into before 3 April 2020 (repayment holiday). • Rules apply to those SME that operate in the most affected sectors. • Instead of suspension it is permissible to claim reduction of the size of payments during the grace period. • The grace period shall not exceed six months.

65 Resolution of the Government of the Russian Federation No. 438 of 3 April 2020 'On Special Aspects of Exercising, in 2020, of State Control (Supervision), Municipal Control and on Amending Clause 7 of the Rules of Preparation by the State Control (Supervision) Authorities and Municipal Control Authorities of Annual Plans of Scheduled Audits of Legal Entities and Individual Entrepreneurs'.

66 Art. 19 of Federal Law No. 98-FZ of 1 April 2020 'On Amending Certain Regulations of the Russian Federation Related to Prevention of Emergency Situations and Response to Them'.
Resolution of the Government of the Russian Federation No. 439 of 3 April 2020 'On Setting the Requirements to the Conditions and Terms of Lease Payment Deferral under Real Estate Lease Agreements'.
Resolution of the Government of the Russian Federation No. 670-р of 19 March 2020 'On the Measures of Support of Small and Medium-Sized Enterprises'.

67 Art. 15 of Federal Law No. 166-FZ of 8 June 2020 'On Amending Certain Regulations of the Russian Federation in Order to Assume Emergency Measures Aimed at Ensuring Sustainable Development of Economy and Prevention of the Effects of the Spread of the Novel Coronavirus Infection'.

68 Art. 7 of Federal Law No. 106-FZ of 3 April 2020 'On Amending the Federal Law 'On the Central Bank of the Russian Federation (Bank of Russia)' and Specific Regulations of the Russian Federation to the Extent Related to Special Aspects of Amending of Credit/Loan Agreement Terms'.

Russia[69]	A possibility to extend a preferential loan/defer payments under a preferential loan extended to agricultural goods producers. • The regulation covers preferential loans under which bank is granted a subsidy from the federal budget to compensate revenue shortcomings. • Under a short-term preferential loan, the effective period can be prolonged by up to one year, provided that the term of such loan expires in 2020; the SME may enter into an additional agreement to defer interest and principal debt payments under such loan for the term up to one year. • Under a preferential investment (long-term) credit, it is possible to be granted a deferral in respect of interest and principal debt payments due in 2020. • Bank may be granted a respective subsidy from the federal budget only if the foregoing measures are implemented.

Stay/rescheduling of statutory time periods

Jurisdiction	Length of protected period	Scope (time bar, registration, unenforceability, inadmissibility, expiry, automatic discontinuance of action, enforcement, voidness, etc) and carve outs	Impact on insolvency and work outs	Territorial scope/cross border issues
Russia[70]	Various terms apply to various measures.	Tax holidays and other relaxations in the tax sphere Release from obligation to pay certain taxes, advance payments under taxes and levies; reduced insurance contributions rates/flat insurance contributions; extension of the term of payment of certain taxes (advance payments), insurance contributions. This covers, in particular, those SMEs that operate in the most affected sectors (for some measures the status of a SME is enough), and those individual entrepreneurs who operate in the most affected sectors. The list of measures below may vary depending on the addressee of the measures. Exemptions are provided in respect of certain advance payments under corporate profits tax, corporate property tax, to the extent related to tax and advance payments, from 1 April 2020 through to 30 June 2020 etc. In respect to payments and other remunerations payable to individuals accrued for April, May amd June 2020, a reduced insurance contribution tariff applies of 0 per cent. Reduced insurance contribution tariffs through to the end of 2020, and a constant reduction of insurance contribution tariffs starting from 2021.	-	-

69 Resolution of the Government of the Russian Federation No. 1022 of 11 July 2020 'On Amending the Rules of Subsidizing from the Federal Budget of Russian Credit Organizations, International Financial Organizations and the Major Financial Development Institution to Compensate Their Revenue Shortcomings under Loans Extended to Agricultural Goods Producers (Except for Agricultural Consumer Credit Cooperatives), Organizations and Individual Entrepreneurs Engaged in Production, Primary and (or) Subsequent Industrial Processing of Agricultural Products and Their Sale at a Reduced Rate'.

70 In particular, Federal Law No. 102-FZ of 1 April 2020 'On Amending the First and the Second Part of the Tax Code of the Russian Federation and Specific Regulations of the Russian Federation'.
Resolution of the Government of the Russian Federation No. 409 of 2 April 2020 'On the Measures Ensuring Sustainable Development of Economy'.
Federal Law No. 172-FZ of 8 June 2020 'On Amending the Second Part of the Tax Code of the Russian Federation'.

		Extension of payment term for certain taxes (advance payments), insurance contributions is provided from three to six months. Extension of terms for submission of various tax reports and information. Making decisions on on-site tax audits, conducting of such audits, initiation – by tax and customs authorities – of currency control compliance audits, making – by tax authorities – of specific decisions on suspension of operations on accounts in banks and on transmitting e-finds and conducting other similar operations is suspended until 30 June 2020. Liability/sanctions for certain tax offences and those related to insurance contributions committed in specific period shall not apply; no proceedings on such offences shall be conducted. A possibility of deferral (instalment plan) in respect of certain taxes, advance payments under tax and insurance contributions matured in 2020 is provided. These measures may apply to: • those payers who operate in the most affected sectors; • to strategic, systemically important and 'town-forming' organisations that do not operate in the most affected sectors but also suffered; • to owners of malls who granted a lease payment deferral to the mall lessees; and • to organisations and individual entrepreneurs generating revenue mostly from tourism and hospitality business. To be granted a deferral (instalment plan) it is necessary to confirm that the organisation's performance worsened. A deferral, as the case may be, may be granted for the term up to one year; an instalment plan up to five years.		
Russia [71]	Various terms apply to various measures.	**Relaxations in town planning** Validity of construction permits, effective period of certain town planning documents for specific purposes that expire from 6 April 2020 to 1 January 2021 is automatically extended for one year. Qualification certificates permitting preparation of expert opinions on design documentation and (or) expert examination of engineering survey results that expire from 6 April 2020 to 1 January 2021 shall be automatically prolonged from five to six years. A positive finding of a state ecological appraisal that expires from 6 April 2020 to 31 December 2020 shall be automatically prolonged to 31 December 2021.	-	-

71 Exhibit 3 to Resolution of the Government of the Russian Federation No. 440 of 3 April 2020 'On Prolonging the Effective Period of Permits and Other Special Aspects of Permit-Required Activities in 2020'.
Resolution of the Government of the Russian Federation No. 423 of 2 April 2020 'On Establishing of Special Aspects of Application of Penalty Interest (Fine, Default Interest), Other Financial Sanctions and Other Liabilities for Failure to Perform or Improper Performance of Obligations under Shared Construction Participation Agreement Set by Shared Construction Laws and on Special Aspects of Inclusion into the Register of Troubled Facilities of Multifamily Buildings and (or) Other Real Estate in Respect of Which Developer Is More than 6 Months Late with Completion of Construction (Creation) of a Multifamily Building and (or) Other Real Estate and (or) with Performance of Obligation to Convey the Shared Construction Facility to a Share Construction Participant under a Registered Shared Construction Participation Agreement'.
Exhibit 16 to Resolution of the Government of the Russian Federation No. 440 of 3 April 2020 'On Prolonging the Effective Period of Permits and Other Special Aspects of Permit-Required Activities in 2020'.

		Special aspects covering operations of those developers that raise funds of shared construction participants Until 1 January 2021, the controlling authority shall not file notices with Rosreestr on the loss of right to raise funds if conveyance of facility is more than six months late. The controlling authority may not refer to court seeking suspension of developer's operations through to 1 January 2021. If more than six months' delay in facility conveyance occurred after 3 April 2020, such facilities will be added to the list of troubled facilities only after 1 January 2021, provided that as of the date of adding thereof to the list they qualify for troubled facilities.		
Russia[72]	Various terms apply to various measures.	**Relaxations covering licences and permits** Effective period of certain fixed-term licences and other permits – expiring in the period from 15 March 2020 through to 31 December 2020 – shall be prolonged. Their effective period shall be prolonged by 12 months. As to certain forms of permit-required activity, if conformity confirmation, second accreditation, re-attestation, etc is required, these activities, as the case may be, shall either be pushed forward for the period of up to 12 months, or be deemed undergone. The federal executive authorities are granted the right to reduce the list of licence requirements and conditions. Separate special relaxations are provided for various permit-required regimes (provided by subsoil laws, valuation activity laws, air laws, employment laws, etc).	-	-
Russia[73]	Various terms apply to various measures.	**Special aspects of exercising state control (supervision) and municipal control.** Types of unscheduled and scheduled audits of SMEs and other legal entities and individual entrepreneurs are reduced. A limited list of cases when state control (supervision) authorities' officials, municipal control authorities' officials may visit an entity while conducting audit is provided. The state control (supervision) authorities, municipal control authorities are instructed to make decisions – when they receive petitions seeking delay in compliance with earlier issued improvement orders – to prolong terms thereof, save for certain improvement orders.		

72 Resolution of the Government of the Russian Federation No. 440 of 3 April 2020 'On Prolonging the Effective Period of Permits and Other Special Aspects of Permit-Required Activities in 2020'.

73 Resolution of the Government of the Russian Federation No. 438 of 3 April 2020 'On Special Aspects of Exercising, in 2020, State Control (Supervision), Municipal Control and on Amending Clause 7 of the Rules of Preparation by the State Control (Supervision) Authorities and Municipal Control Authorities of Annual Plans of Scheduled Audits of Legal Entities and Individual Entrepreneurs'. Instruction of the Government of the Russian Federation of 18 March 2020 'Mikhail Mishustin gave instructions, specifically those to suspend appointment of on-site tax audits and scheduled customs audits'.

Stay/rescheduling of contractual obligations					
Jurisdiction	**Length of protected period**	**Scope (penalty payments, penal clauses, etc) and carve outs**	**Can be waived?**	**Combines with *force majeure*/frustration/ unforeseeability?**	**Territorial scope/cross-border issues**
Russia[74]	Various terms apply to various measures.	A lessee may claim amending his real estate lease agreement (irrespective of the form of ownership) entered into in 2020 before high alert or emergency situation regime was introduced in the region. The landlord must, if the lessee operating in the most affected sectors so demands, enter into an additional agreement providing for a lease payment delay in respect of 2020 lease payment. The requirements to such a delay are set by the Government of the Russian Federation. The lessee may claim reduction of lease payment for the period of 2020 due to impossibility to use the real estate caused by introduction of the respective regimes. An SME lessee operating in the most affected sectors may claim reduction of lease payment for the term up to one year in respect of real estate used by the lessee to carry out the foregoing activities. In the event of failure to agree lease payment reduction or other amendment of the agreement within 14 business days, the lessee, before 1 October 2020, may repudiate the lease agreement. Loss of profit, losses caused by termination of agreement associated solely with early termination thereof, other monies shall not be recovered from the lessee if under the agreement the lessee's right to unilateral repudiation is conditioned by the need to pay certain sum of money; a security deposit, if paid to the landlord, shall not be returned. Other losses (monies) shall be compensated (repaid) as prescribed by civil laws. A landlord of state or municipal real estate (except for land plots) may not deny the lessee, that otherwise properly performed his obligations before the decision on introducing restrictions was made, to enter into, in 2020, an additional agreement prolonging the lease term for up to one year on the same terms and conditions or on other terms and conditions not deteriorating the position of the lessee. The additional agreement shall be entered into without bidding and evaluation of the market value of the leased object. Until 1 March 2021, the lessee of a state or municipal land plot may claim from the landlord to enter into an additional agreement prolonging the effective period thereof irrespective, inter alia, of whether there is a lease payment delay subject to certain terms and conditions. The term may maximally be prolonged by the term of the agreement effective before the prolongation thereof, or by three years, if the term of the agreement exceeds three years. The additional agreement shall be entered into without bidding. Under a federal real estate lease agreement entered into with SME operating in the most affected sectors, the lessee shall be exempt from lease payments for the period from 1 April 2020 through to 1 July 2020.			

74 Art. 19 Federal Law No. 98-FZ of 1 April 2020 'On Amending Certain Regulations of the Russian Federation Related to Prevention of Emergency Situations and Response to Them'.
Resolution of the Government of the Russian Federation No. 439 of 3 April 2020 'On Setting the Requirements to the Conditions and Terms of Lease Payment Deferral under Real Estate Lease Agreements '.
Resolution of the Government of the Russian Federation No. 670-p of 19 March 2020 'On the Measures of Support of Small and Medium-Sized Enterprises'.

Russia[75]	Various terms apply to various measures.	Special aspects associated with performance of state and municipal contracts are provided. Default interests caused by failure to perform or improper performance of obligations under a construct in 2020 that were accrued on the contractor but not written off by the customer shall be written off in certain cases. In 2020, upon agreement of the parties it is permissible to change the period of performance of a contract and (or) the contract value, if while performing thereof, in connection with the spread of the novel coronavirus infection and in other cases provided by the Government of the Russian Federation, some events beyond control of the parties to the contract entailing the impossibility of the performance thereof arose. Changing is permissible after the contractor provides performance security, if such changing entails new contractors' obligations not secured by the earlier provided security.	-	-	-
Russia[76]	Various terms apply to various measures.	It is provided that those developers that raise funds of shared construction participants shall be released from liability for delay in performance of their obligations to investors within the period from 3 April 2020 through to 1 January 2021. No default interest shall be accrued in the event of delay in conveyance of facilities to the shared construction participant over that period. While calculating the investor's losses, those losses that arose in that period shall be taken into account. No interest on funds to be returned to the investor in the event of termination of a shared construction agreement shall be accrued over that period. A performance delay through to 1 January 2021 shall be granted on the claims that have already been called for payment until 3 April 2020.			
Russia[77]	Not more than six months.	An SME borrower may suspend performance under loan agreements entered into before 3 April 2020 (repayment holiday) The rules apply to those SMEs that operate in the most affected sectors. Instead of suspension, it is permissible to claim reduction of the size of payments during the grace period. The grace periods shall not exceed six months.	-	-	-

75 Art. 11 of Federal Law No. 98-FZ of 1 April 2020 'On Amending Certain Regulations of the Russian Federation Related to Prevention of Emergency Situations and Response to Them'.
Resolution of the Government of the Russian Federation No. 591 of 26 April 2020 'On Amending Resolution of the Government of the Russian Federation No. 783 of 4 July 2018'.

76 Resolution of the Government of the Russian Federation No. 423 of 2 April 2020 'On Establishing of Special Aspects of Application of Penalty Interest (Fine, Default Interest), Other Financial Sanctions and Other Liabilities for Failure to Perform or Improper Performance of Obligations under Shared Construction Participation Agreement Set by Shared Construction Laws and on Special Aspects of Inclusion into the Register of Troubled Facilities of Multifamily Buildings and (or) Other Real Estate in Respect of Which Developer Is More than 6 Months Late with Completion of Construction (Creation) of a Multifamily Building and (or) Other Real Estate and (or) with Performance of Obligation to Convey the Shared Construction Facility to a Share Construction Participant under a Registered Shared Construction Participation Agreement'.

77 Art. 7 of Federal Law No. 106-FZ of 3 April 2020 'On Amending the Federal Law 'On the Central Bank of the Russian Federation (Bank of Russia)' and Specific Regulations of the Russian Federation to the Extent Related to Special Aspects of Amending of Credit/Loan Agreement Terms'.

Temporary Changes to insolvency and work outs framework

Jurisdiction	Freeze of assessment of cessation of payments	Freeze/rescheduling of insolvency applications	Extension of time periods within insolvency proceedings (plan, etc)	Other	Impact on restructurings
Russia	-	A freeze is imposed on the initiation of proceedings upon application of creditors with the following special aspects.[78] A freeze is effective in respect of the following debtors: those organisations and individual entrepreneurs that/who operate in the most affected sectors, certain strategic and systemically important organisations. These organisations, however, may waive the freeze. The effective period of the freeze is from 6 April 2020 through to 6 October 2020. The freeze implies that court dismisses creditors' claims seeking recognition of debtor bankrupt that were filed within the effective period of the freeze and before thereof, but were not admitted by court as of the date of introduction of the freeze. Special aspects apply to those debtors who fall within the scope of the freeze. In particular, the persons controlling the debtor are not obliged, within the effective period of the freeze, to file an application seeking recognition of debtor bankrupt in certain cases (including inability to pay and (or) insufficiency of assets); a number of restrictions for the supervision procedure apply; it is prohibited to levy execution on the pledged property, including without legal proceedings; enforcement proceedings involving pecuniary sanctions under the claims that arose before the freeze shall be suspended (that said, seizures and other restrictions on the debtor's assets disposal shall not be lifted). Some special aspects are provided for bankruptcy proceedings initiated within three months after the freeze ceases.	A possibility is provided to suspend proceedings if upon the application of the persons covered by the freeze a procedure for restructuring/supervision is introduced subject to certain terms and conditions. The terms and conditions of such suspension must, specifically, provide for changing of the term of payment of obligations overdue, and those obligations that are to be included in the register of the creditors' claims to be performed within one year from the date when the suspension was allowed, termination of enforcement proceedings related to pecuniary sanctions under the claims that arose before the suspension was allowed, etc	-	-

Other Issues

Jurisdiction	Regulatory relief measures taken at national level
	In 2020, the government subsidised – from the budgets of the subjects of the Russian Federation and local budgets – those legal entities and individual entrepreneurs operating in the Russian economy sectors that were most affected amid the deteriorating situation caused by the spread of the novel coronavirus infection and conducted operations related to manufacturing (sale) of excisable goods.[79]

78 Art. 9.1 of Federal Law No. 127-FZ of 26 October 2002 'On Insolvency (Bankruptcy)'.
Resolution of the Government of the Russian Federation No. 428 of 3 April 2020 'On Imposing a Freeze on the Initiation of Bankruptcy Proceedings upon Application of Creditors in Respect of Certain Debtors'.

79 Resolution of the Government of the Russian Federation No. 915 of 24 June 2020 'On Special Aspects of Subsidizing, in 2020, of Legal Entities (Except for Subsidies to State (Municipal) Institutions) and Individual Entrepreneurs Operating in the Russian Economy Sectors that Were Most Affected amid the Deteriorating Situation Caused by the Spread of the Novel Coronavirus Infection'.

22. Singapore

Che Wai Kok, Allen & Gledhill LLP, kok.cheewai@allenandgledhill.com

Completion date:8 September 2020

Emergency funding

State-guaranteed loans

Jurisdiction	Size of programme	Terms of guarantee	Eligible borrowers	Terms of loans	Territorial scope/cross-border issues
NA					

Sectorial support plans

Jurisdiction	SMEs	Supply chains	Export credit	Specific industries	Other
Singapore	**Special Financial Relief Programme** • Defer either principal payments or both interest and principal payments on secured SME term loans up to 31 December 2020. • Extend loan tenures of secured SME term loans by up to the corresponding principal deferment period. • Disapplication of total debt service ratio (TDSR) requirements for such loans. **Enhanced Working Capital Loan (which finances operational cashflow needs)** • Borrow up to a maximum loan quantum of SGD 1m per borrower. • One-year deferral of principal repayment. **Temporary Bridging Loan Programme (which provides access to working capital for business needs):** • Borrow up to SGD 5m per borrower group; interest rates capped at 5 per cent per annum. • One-year deferral of principal repayment. **Trade loans** • 80 per cent insurance premium subsidy under Loan Insurance Scheme. • Borrow up to SGD 10m per borrower group. **Insurance premiums** • Instalment payment plans for general insurance policies. **Legal protection for secured loans** • Banks' right to commence legal action for a default on a loan secured by eligible fixed assets in Singapore will be temporarily put on hold.	Joint ministerial statement signed with several countries to restate commitment to maintaining open and connected supply chains. Enhanced Aviation Support Package to maintain a minimum level of air connectivity for the transportation of goods to keep Singapore's supply chains open.		**Financial services** Provision of sufficient liquidity by Monetary Authority of Singapore (MAS) to Singapore Dollar and US$ funding markets in Singapore and supporting their effective functioning to enable financial institutions to fund themselves, intermediate credit to individuals and businesses, and provide essential financial services. **Aviation** Enhanced Aviation Support Package to (1) provide cost relief to affected businesses in the aviation sector, and (2) maintain a minimum level of air connectivity to allow overseas Singaporeans to return to Singapore and for the transportation of goods to keep Singapore's supply chains open. **Tourism** Enhanced salary support for qualifying licensed hotels, qualifying licensed travel agents, qualifying gated tourist attractions, cruise lines and cruise terminal operators, and purpose-built MICE venue operators. Qualifying commercial properties enjoy property tax rebate of 100 per cent. Increased support under Training Industry Professionals in Tourism to 90 per cent for course fees and trainer fees.	Automatic deferment of income tax payments for companies. Property tax rebates for non-residential properties. Rental waivers for tenants in government-owned/managed non-residential facilities. Owners of non-residential properties required to transfer to their lessees and licensees the benefit that the owners received from reduction in property tax in response to Covid-19 pursuant to Part 6 of Covid-19 (Temporary Measures) Act. Limited liability for holding over for eligible tenants of commercial or industrial property that were unable to vacate business premises due to Covid-19.

	Mandated co-sharing of rental obligations between the Government, landlords and tenants for eligible SMEs which are occupying tenants under Part 2A of the Covid-19 (Temporary Measures) Act, the relevant provisions of which entered into force on 31 July 2020. Eligible SMEs in qualifying commercial properties could enjoy up to four months' rental relief (April to July 2020). Eligible SMEs in industrial/office properties could enjoy up to two months' rental relief (April to May 2020). Eligible SMEs may also apply for repayment scheme for rental arrears. Three-month extension of foreign worker levy payment timeline to SMEs and levy waiver for up to 90 days for foreign workers on overseas leave.			**Maritime** Extension of 50 per cent port dues concession for passenger vessels, provision of additional 35 per cent rebates on counter rental and overnight berthing for regional ferry operators, and grant of 100 per cent waiver of public licence fees for passenger terminal operators. **Property developers** Extension of project completion period (PCP) by six months for residential, commercial and industrial properties. Extension by six months for the commencement and completion of residential projects, and sale of housing units in such projects in relation to remission of additional buyer's stamp duty for housing developers. Extension of PCP and/or disposal period by up to six months for residential projects under the qualifying certificate regime for foreign housing developers. **REITs** Further extension of time for distribution of taxable income for REITs. Increase in leverage limit and deferral of implementation of new minimum interest coverage ratio.	

Relaxation of regulatory requirements for lenders	
Jurisdiction	
Singapore	**Adjustment of capital and liquidity requirements to sustain lending activities** • Banks are encouraged to utilise their capital buffers as appropriate to support their lending activities. • Banks are allowed to recognise as capital more of their regulatory allowance reserves. The relief will apply until 30 September 2021 and may be extended if necessary. • Banks may utilise their liquidity buffers as necessary to meet liquidity demands. MAS will adjust the Net Stable Funding Ratio requirement. The amount of stable funding that banks must maintain for loans to individuals and businesses that are maturing in less than six months will be halved from 50 per cent to 25 per cent. The relief will apply until 30 September 2021, and may be extended if necessary. **Setting accounting loan loss allowances** • Financial institutions may consider the Singapore Government's fiscal assistance and banks' relief measures to set more realistic accounting loan loss allowances. **Deferment of implementation of regulatory reforms** • The final set of Basel III reforms for banks in Singapore will be deferred by one year, in line with the BCBS's announcement to delay the internationally agreed start date. • Deferral to 1 January 2023 the implementation of revised standards for (1) credit risk, operational risk, leverage ratio, output floor and related disclosure requirements, and (2) market risk and credit valuation adjustments for supervisory reporting purposes. • Deferral by one year the implementation of the final two phases of the margin requirements for non-centrally cleared derivatives • Extension by one year (to 1 October 2021) the final phase of reporting requirements for OTC derivatives trades. • Deferral of implementation of certain licensing and conduct requirements **Mortgages** For business owners and SMEs: • SME borrowers are not subject to total debt servicing ratio (TDSR) if they qualify for payment deferments on their secured property loans. • Businesses that take up mortgage equity withdrawal loans (MWLs) on residential or non-residential properties are not subject to TDSR and loan-to-value (LTV) limits. For individuals (including sole proprietors), TDSR will not apply to: • deferment of mortgage repayments (for residential, commercial, or industrial properties); • refinancing of owner-occupied residential mortgages; • MWLs if the LTV ratio does not exceed 50 per cent; and • unsecured credit facilities such as credit cards and personal loans.

Stay/rescheduling of statutory time periods

Jurisdiction	Length of protected period	Scope (time bar, registration, unenforceability, inadmissibility, expiry, automatic discontinuance of action, enforcement, voidness, etc) and carve outs	Impact on insolvency and work outs	Territorial scope/cross-border issues
Singapore	20 April 2020 to 19 October 2020	Part 2 of the Covid-19 (Temporary Measures) Act provides temporary relief from legal action for those unable to perform obligations in certain types of contracts, and the inability is to a material extent caused by a Covid-19 event. Effective 20 April 2020, contracts covered are: • certain types of loan facilities; • construction or supply contracts; • event or tourism-related contracts; • hire-purchase or conditional sales agreements; and • leases or licences of non-residential property. Effective 13 May 2020, coverage extended to contracts relating to purchase of homes made with housing developers. Effective 20 June 2020, leases or rental agreements for commercial equipment or commercial vehicles were added to the types of contracts covered under the Act.		

Stay/rescheduling of contractual obligations					
Jurisdiction	**Length of protected period**	**Scope (penalty payments, penal clauses, etc) and carve outs**	**Can be waived?**	**Combines with *force majeure*/frustration/ unforeseeability?**	**Territorial scope/cross-border issues**
Singapore	6 April 2020 to 31 December 2020	**Special Financial Relief Programme (SFRP (Consumer))** *Mortgage* Defer either principal payments or both interest and principal payments on residential, commercial and industrial property loans, as well as on all mortgage equity withdrawal loans granted on or after 6 April 2020, until 31 December 2020. TDSR, loan-to-value (LTV) limits and loan tenure restrictions are Not applicable to deferment of residential mortgage payments Refinance or reprice investment property loans without being subject to the TDSR and mortgage servicing ratio. Consequently, affected individuals do not need to commit to a debt repayment plan. *Unsecured loans:* Convert outstanding balances on credit cards and revolving credit lines to term loans at an interest rate capped at 8 per cent per annum Extend loan tenure of existing debt consolidation plans. *Renovation, education and motor vehicle loans:* Defer either principal payment or both interest and principal payments on renovation and non-MOE student loans. Extension of regulatory loan tenure cap (currently at five years) for renovation loans to facilitate extension of loan tenures according to the corresponding deferment periods.	Yes	-	-
Singapore		**Bank fee waivers** Individuals whose incomes have been impacted by Covid-19 may apply to waive fall-below service fees and fees for failed GIRO deductions until 31 December 2020	Yes	-	-
Singapore		**Insurance premium deferment or instalment payment** *Life and health insurance policies* Premium deferment for up to six months on applicable life and health insurance policies. *General insurance policies* Instalment payment plans for general insurance policies.	Yes	-	-
Singapore	13 May 2020 to 19 October 2020	Prohibition against unilateral increase in charges	Yes	-	-

Singapore	1 February 2020 to 19 October 2020	Cap on late payment interest or charges for specified contracts.	Yes	-	-
Singapore	Legislation passed, not yet in force. Will apply to eligible contracts in force during the prescribed period of 20 April 2020 to 19 October 2020 for breaches or delays occurring during the period from 1 February 2020 to 19 October 2020.	Relief for the performance of contractual obligations in construction-related or supply-related contracts.	Yes	-	-
Singapore	Up to 31 December 2020	Eligible landlords who are individuals can defer both principal and interest repayment up to 31 December 2020 if they are required to provide their tenants rental waivers or payment rescheduling. SME landlords can apply to defer principal payments on their commercial and industrial property loans.	Yes	-	-

Temporary changes to insolvency and work outs framework

Jurisdiction	**Freeze of assessment of cessation of payments**	**Freeze/rescheduling of insolvency applications**	**Extension of time periods within insolvency proceedings (plan, etc)**	**Other**	**Impact on restructurings**
Singapore			Statutory period to respond to demands from creditors lengthened from 21 days to six months pursuant to Part 3 of the Covid-19 (Temporary Measures) Act. Provisions in force until 19 October 2020.	Monetary threshold for bankruptcy/insolvency raised pursuant to Part 3 of the Covid-19 (Temporary Measures) Act. Provisions in force until 19 October 2020.	

Other issues

Jurisdiction	**Regulatory relief measures taken at national level**
	Temporary legislation under Part 4 of the Covid-19 (Temporary Measures) Act setting out alternative arrangements to personal attendance in respect of general meetings of companies and other entities. The alternative arrangements apply from 27 March 2020 to 30 September 2020. Jobs Support Scheme (JSS) providing wage support for local employees across all sectors. JSS will cover wages paid up to March 2021. Extension of time (60 days) for companies to hold their annual general meetings and to file annual returns. From 1 February 2020 to 31 July 2021, the Competition and Consumer Commission of Singapore to assume that collaborations that sustain or improve the supply of essential goods or services in Singapore and satisfy specified conditions are unlikely to infringe the Competition Act.

23. South Africa

Ulrike Naumann, Bowmans, ulrike.naumann@bowmanslaw.com

Completion date: 29 August 2020

Emergency funding

State-guaranteed loans

Jurisdiction	Size of programme	Terms of guarantee	Eligible borrowers	Terms of loans	Territorial scope/cross-border issues
South Africa	**Covid-19 Loan Guarantee Scheme (the Scheme)** On 13 May 2020, National Treasury and the South African Reserve Bank (the SARB), in partnership with participating commercial banks, launched the Scheme aimed at giving financial support to small, micro and medium enterprises (SMMEs), which have been affected by the lockdown in South Africa.	National Treasury has provided a guarantee to the SARB. Losses are ultimately shared between the National Treasury and the participating commercial banks. The Scheme will receive all 'profits' on the loans (ie the difference between the rate at which SARB and the commercial banks lend the money (together with limited costs)). The profits will be used to offset any losses that the Scheme makes.	Eligible business that bank with some of the participating commercial banks, including but not limited to Absa Bank, First National Bank (FirstRand), Investec Bank, Nedbank, SASFIN Bank, Grindrod Bank, Mercantile Bank and The Standard Bank of South Africa. Banks are not obliged to extend loans to all applicants and may use their ordinary risk-evaluation and credit-application processes, which should be aligned with the emergency spirit and object of the Scheme. In addition to this, banks may request sureties, security or guarantees in respect of the loans. **Phase 1 loan criteria** 1.Turnover cap of under ZAR 300m per year. 2. Registered with SARB. 3. In good standing with creditors and banks as at 29 February 2020. 4. In financial distress as a result of the Covid-19 outbreak and subsequent lockdowns, and exhausted its capacity to borrow under usual terms	The SARB lends money to commercial banks at the repo rate plus a 0.5 per cent credit premium. The banks then lend this money to SMMEs at the repo rate plus a fixed spread of 3.5 per cent (ie prime rate). **Term** Under Phase 1, loans were advanced for a maximum of five and a half years. However, under Phase 2 this was increased to six years. **Interest payment and capital repayments** Under Phase 1, a three-month interest payment and capital repayment holiday commences from the first drawdown. Under Phase 2, this interest payment and capital repayment holiday is six months. Interest accumulates from the first drawdown. **Early repayment** Borrowers can repay loans ahead of schedule with no penalties. **Purpose of the loans:** Phase 1 loans can be used for up to three months' operational expenses, such as salaries, rent and lease agreements and contracts with suppliers. Phase 2 loans can be used for up to six months' operational expenses. Phase 2 loans can also be provided for business restarts as the economy opens up.	Not applicable

	ZAR 100bn was initially available as part of Phase 1, with the option to increase the Scheme to ZAR 200bn, if necessary and if the Scheme was deemed successful, as part of Phase 2. On 21 July 2020, Phase 2 of the Scheme became effective.		**Phase 2 loan criteria** 1. Registered with SARB. 2. In good standing with creditors and banks as at 30 December 2020. 3. In financial distress as a result of the Covid-19 outbreak and subsequent lockdowns, and exhausted its capacity to borrow under usual terms. Under Phase 2, sole proprietorships were explicitly included.	**Loan amounts** Under Phase 1, there was no maximum loan amount because of the turnover cap. In respect of Phase 2 loans, the maximum loan amount is ZAR 100m. Banks may provide for syndicated loans for loans larger than ZAR 50m. The aggregate of the loans under Phase 1 and Phase 2 of the Scheme may not exceed: • the maximum amount of ZAR 100m, or • the maximum requirement of six months' operating expenses plus existing loans granted under Phase 1 run concurrently with those under Phase 2.	

Sectorial support plans

Jurisdiction	SMMEs	Supply chains	Export credit	Specific industries	Other
South Africa	The Department of Small Business Development initially allocated ZAR 200m in support. This amount was later increased to ZAR 500m under the Business Growth and Resilience Facility.	The qualifying criteria are: • business must be registered with the Companies and Intellectual Property Commission (CIPC) by 28 February 2020. • company must be 100 per cent owned by South African citizens. • employees must be 70 per cent South African citizens. • priority has been granted to businesses owned by women, youth and people with disabilities. • companies with CIPC registration documents. • companies with relevant industry certifications. • companies with Financial Intelligence Centre Act (FICA) documents. • companies that undertake to register with the UIF. • registration on the National SMME Database.	Not applicable	SMMEs	The elements of working capital covered through the Scheme are: • Payroll assistance assists employers whose employees do not qualify for the Unemployment Insurance Fund (UIF) Relief, on condition that those employers register their employees with UIF. • Rental assistance (facility or equipment) assists businesses to pay their rental obligations for either working tools or facilities/business premises. • Utilities to assist with municipal bills.

South Africa	**Tourism Relief Fund** Guided by the Tourism Broad Based Black Economic Empowerment (B-BBEE) Codes of Good Practices approved by the Minister of Trade and Industries in 2015 (in line with the B-BBEE Amendment Act No. 46 of 2013). The Tourism Relief Fund is administered in line with the objectives of economic transformation, and the vision to ensure a sustainable and inclusive tourism development in South Africa.	Preference is given to enterprises with the highest score in terms of the criteria, which serves as a pre-qualification. A panel of experts conducts the final evaluation in terms of functionality. • Accommodation establishments: hotels, resorts, bed and breakfasts (B&B's), guest houses, lodges and backpackers. • Hospitality and related services: restaurants (not attached to hotels), conference venues (not attached to hotels), professional catering, and attractions. • Travel and related services: tour operators, travel agents, tourist guiding; car rental companies and coach operators.	Not applicable	Tourism.	Capped at ZAR 50,000 per entity, the grant funding can be utilised to subsidise expenses towards fixed costs, operational costs, supplies and other pressure cost items.
South Africa	**Spaza Shop Support Scheme** The Spaza Shop Support Scheme allows small informal trader businesses to access a ZAR 3,500 working capital cash injection and an additional ZAR 3,500 in revolving credit at selected wholesalers.	**Qualification criteria** Owner managed and operated, proof of banking and SMME registration.	Not applicable	Small informal traders.	Assisting with bulk purchasing from approved SMMEs, access to capital and credit facilities, business management support, access to business tools such as speed points, access to bank accounts etc). Compliance with occupational health and safety standards (ie sanitisation requirements) and licencing and registration requirements (including registering for UIF, registering with the South African Revenue Services, having permits to trade, submission of monthly management accounts, etc) is required.

South Africa	**Department of Agriculture, Land Reform and Rural Development – Covid intervention funding** ZAR 1.2bn has been ring-fenced by the Department of Agriculture, Land Reform and Rural Development to target financially distressed small-scale farmers with annual turnovers of between ZAR 50,000 and ZAR 1m. Inputs have been capped at ZAR 50,000 per farmer.	**Criteria** • South African citizens who have been actively farming for a minimum of 12 months and currently in the production season or cycle. • be registered on farmer register, commodity database or provincial database [Those who are not on the farmer register will be registered to benefit]. • communal farmers. • smallholder farmers with annual turnover between ZAR 50,000 and ZAR 1m. • priority towards women, youth and people with disabilities.	Not applicable	Agriculture.	**Supported commodities** *Poultry* Day-old chicks, point of lay chickens, feed, medication and sawdust. *Vegetables* Seedlings, fertilisers, pesticides, herbicides and soil correction. *Fruits* Final spraying programmes for fruits ready for harvest. *Other livestock* Feed and medication. *Winter field crops* Soil correction, fertilisers, seeds, herbicides and pesticides.
South Africa	**Industrial Development Corporation (the IDC) – distressed funding** The IDC and the Department of Trade, Industry and Competition have made available a ZAR 3bn package for industrial funding to help vulnerable businesses.	This funding is only available to South African-owned businesses. The qualifying criteria includes: • it applies to existing IDC clients and new clients in distress as a result of Covid-19; • companies must demonstrate strong business fundamentals and be considered viable; • relief is only for clients impacted by Covid-19 with a sustainable business plan; • intervention plans must show the business case recovering within 18 to 24 months; • there must be evidence that concessionary finance will enable the business to trade out of any short-to-medium-term financial crisis; • risk is shared with other funders, not just the IDC; • distressed funding cannot be used to fund bonuses or dividends; and • the company's financial needs are in excess of assistance from the UIF, the Compensation Fund, the IDCs funding and any other support schemes, and the IDC's funding only funds any shortfalls.	Not applicable	Vulnerable businesses	Not applicable

South Africa	**IDC Covid-19 Essential Supplies Intervention** The IDC Covid-19 Essential Supplies Intervention was established to provide funding to companies for the acquisition and/or manufacturing of essential supplies on an urgent basis to combat the Covid-19 pandemic in South Africa.	**The terms of facilities include:** • IDC loan and trade finance facilities: Prime plus 1 per cent per annum; and • Manufacturing Competitiveness Enhancement Programme loan facilities of 2.5 per cent per annum and guarantees of 2 per cent per annum. **The following financial instruments are available:** 1.short-term loan for once-off contract or import funding; 2.a revolving credit facility; and 3.guarantees to banks for banking facilities, imports and ordering requirements. **To qualify, the business must:** • have a track record of manufacturing similar products; • in the case of imports, be able to import at the required scale (and insufficient local manufacturing capacity); • be an accredited supplier (either in public or private sector); • have a contract or purchase order with either the South African government or similar large customer for essential services; • demonstrate historical profitability; • have a mark-up that is reasonable to prevent profiteering and price-gouging; and • have a geographical focus in South Africa and the Southern African Customs Union.	Not applicable		
South Africa	**South African Future Trust (SAFT) Support**	SMMEs who meet the following criteria are eligible for support: • turnover of less than ZAR 25m per annum; • business was adversely affected by Covid-19; • trading for a minimum period of 24 months; and • business was sustainable on 29 February 2020.	Not applicable	SMMEs	Participating commercial local banks have partnered with the SAFT (a trust set up by the Oppenheimer family) to provide financial support to SMMEs. The SAFT funds are disbursed as concessionary loans to qualifying SMMEs. These loans are interest-free over a five-year term and administered by local banks for and on behalf of the SAFT.

South Africa	**Labour and Employment Relief**	For companies to qualify for this temporary financial relief scheme, the following requirements must be satisfied: • company registered with the UIF; • company complies with the application procedure for the financial support scheme (employers apply by reporting their closure to COVID19ters@labour.gov.za; and • company's closure directly linked to the Covid-19 pandemic. **Employees may also individually apply for Covid-19 benefits if:** • employees meet certain requirements set out in the directive; • no bargaining council or entity has concluded a memorandum of agreement with the UIF; and • the employee's employer has failed or refused to apply for Covid-19 benefits.	Not applicable		Employers who have had to close operations for three months or less as a direct result of Covid-19 – employees of that company may qualify for a Covid-19 benefit. Salaries are capped at a maximum of ZAR 17,712 per month, per employee and employees are paid in terms of the income replacement rate sliding scale in the Unemployment Insurance Act 63 of 2001. Employees receive benefits of a minimum of ZAR 3,500. If any employee's income in terms of the income replacement sliding scale falls below ZAR 3,500, such employee will be paid a replacement income equivalent to that amount.

Relaxation of regulatory requirements for lenders

Jurisdiction	
South Africa	A joint National Treasury, SARB and Banking Association of South Africa media statement was released on new criteria for loan guarantee eligibility criteria, making it easier to access. Bank credit assessments and loan approvals will be more discretionary and less restrictive; clients are now able to access loans over a longer period; business restart loans are now available; the interest and capital repayment holiday has been extended; test for good standing are easier; and sole proprietorships are now included. This also pertains to loans substantially guaranteed by government with some risk by banks, granted at a preferential rate with deferred payment arrangements. In addition to the actions taken by the SARB, to mitigate the impact of Covid-19, the Prudential Authority of the SARB (the PA) is supporting the banking system in response to the needs of banking customers. The PA has introduced regulatory relief measures and guidance to banks in managing the crisis. The regulatory relief measures are provided for in three areas, namely capital relief on restructured loans that were in good standing before the Covid-19 crisis, a lower liquidity coverage ratio (LCR) and lower capital requirements. The PA has: 1.temporarily amended Directive 7 of 2015 on Restructured Exposures, which means that for the duration of the crisis, loans restructured as a result of the impact of Covid-19 do not attract a higher capital charge. This amendment covers loans to households, small and medium-sized businesses, and corporates and for specialised lending; 2.lowered the LCR requirement from 100 per cent to 80 per cent, with effect from 1 April 2020, for the duration of the crisis; 3.lowered the Pillar 2A capital buffer, which is set at 1 per cent of risk-weighted assets, to zero; and 4.provided a criteria that permits banks to dip into their capital conservation buffer, which is set at 2.5 per cent of the risk-weighted assets.

Stay/rescheduling of statutory time periods

Jurisdiction	Length of protected period	Scope (time bar, registration, unenforceability, inadmissibility, expiry, automatic discontinuance of action, enforcement, voidness, etc) and carve outs	Impact on insolvency and work outs	Territorial scope/cross-border issues
South Africa	Insolvency in South Africa is governed by the Companies Act No 61 of 1973 (as amended) read together with the Companies Act, 71 of 2008 and the Insolvency Act No 24 of 1936 (as amended). Currently, there is no stay of statutory time periods in respect of any of the legislation referred to above or the court proceedings or prescription of claims.	The CIPC issued a practice note advising that it will not invoke its powers under section 22 of the Companies Act, 2008 to issue compliance notices to companies which the CIPC has reasonable grounds to believe is trading or carrying on business recklessly, with gross negligence or for a fraudulent purpose This is only applicable where the CIPC has reason to believe that the insolvency is temporary and due to business conditions which were caused by the Covid-19 pandemic. This practice note will lapse within 60 days after the declaration of the state of disaster has been lifted.	Not applicable	Not applicable

Stay/rescheduling of contractual obligations

Jurisdiction	Length of protected period	Scope (penalty payments, penal clauses, etc) and carve outs	Can be waived?	Combines with *force majeure*/frustration/ unforeseeability?	Territorial scope/cross-border issues
South Africa	No extraordinary measures have been put in place nationally to alter the common law on this point. Some sectors have encouraged their members to extend leniency (ie in the landlord/tenant space, in the banking space and in the municipal collections space), resulting in special arrangements being offered by certain parties, but this is not governed at a national level.	Again, this has not been altered as a result of Covid-19 measures. The South African Conventional Penalties Act deals with penalty stipulations in a contract in instances where there has been a breach. Among other things, this Act provides that penalty stipulations in a contract must be proportional to the prejudice that has been suffered by the innocent party as a result of the breach. In recent regulations published in late August 2020, onerous protections pertaining to unfair practice regulations were brought into force in the rental housing space, such that during the disaster, additional conduct will be deemed unfair (ie failure to act in good faith in reaching alternative payment arrangements, any penalties for late payment of rental where delay is caused due to the disaster – in any form other than interest, etc).	Not applicable	*Force majeure* is contractually observed in South Africa. However, where a contract does not specifically provide for *force majeure* events, the principle of 'supervening impossibility of performance' would apply. In terms of this principle, the event(s) must have rendered performance actually impossible for any person to perform and not merely impossible for the party to the contract him/ herself to perform.	Not applicable

Temporary changes to insolvency and work outs framework					
Jurisdiction	**Freeze of assessment of cessation of payments**	**Freeze/rescheduling of insolvency applications**	**Extension of time periods within insolvency proceedings (plan, etc)**	**Other**	**Impact on restructurings**
South Africa	No legislative provisions. However, a standstill can be agreed consensually between parties.	None, save and except for those related to section 22 of the Companies Act, 2008 referred to above.		The Master of the High Court of South Africa, (the public body entrusted with the appointment and oversight of liquidators) is currently only holding meetings of creditors in urgent matters.	Due limited access to the Masters Office, we have seen a delay in the issuing of certificates of appointment of liquidators.

Other issues	
Jurisdiction	**Regulatory relief measures taken at national level**
South Africa	The SARB cut the repo rate by 25 basis points, to 3.5 per cent a year, on 23 July 2020. The repo rate determines the interest rate at which the central bank lends money to commercial banks. The cut by the monetary policy committee added to the 275 basis points that the central bank has cut since March 2020 in response to the economic downturn caused by Covid-19. This has been the lowest repo rate since the system was introduced in 1998.

24. Spain

Fernando Azofra, Uria Menendez, fernando.azofra@uria.com

Completion date: 15 September 2020

Emergency funding

State-guaranteed loans

Jurisdiction	Size of programme	Terms of guarantee	Eligible borrowers	Terms of loans	Territorial scope/ cross-border issues
Spain	**State-backed guarantee line (*línea de avales*) to enhance new financing to businesses.** €100bn	**Guarantor** Spanish Ministry of Economic Affairs and Digital Transformation (*Ministerio de Asuntos Económicos y Transformación Digital*) through a public financing entity named Official Credit Institute (*Instituto de Crédito Oficial*; the ICO). **Purpose** To guarantee the renewal of loans and new financing granted by banks, financial institutions, electronic-money and payment institutions to SMEs, self-employed workers (*autónomos*) and large companies in order to cater for liquidity needs. **Deadline/availability** Until 31 December 2020. **Guaranteed amount** Unpaid principal in each financial transaction excluding ordinary and default interest, commissions or any other costs inherent to the transaction.	**First tranche (€20bn)** Self-employed workers, SMEs and large companies. **Second tranche (€20bn)** SMEs and self-employed workers. **Third tranche (€20bn)** SMEs, self-employed workers and large companies. Additional €4bn to secure promissory note emissions. **Fourth tranche (€20bn)** SMEs and self-employed workers. **Fifth tranche (€20bn)** SMEs, self-employed workers and large companies of the tourist sector and those requiring financing for the acquisition or leasing of new transport vehicles for professional use.	Loans and other financial transactions granted to companies, SMEs and self-employed persons with a registered office in Spain affected by the Covid-19 outbreak, provided that: • the loans and transactions have been formalised or renewed after 17 March 2020; • the borrowers are not in default in the files of the debtors' information bureau administered by the Bank of Spain (the Central Risk of Information or CIRBE) as at 31 December 2019; • the borrowers are not subject to insolvency proceedings as of 17 March 2020.	**Territorial scope** State.
Spain	**State-backed guarantee line to promote SMEs and self-employed workers investments.** €40bn	**Guarantor** Ministry of Transport, Mobility and the Urban Agenda, through the ICO. **Purpose** To boost and promote investments in sectors where greater added value is generated along two main lines: environmental sustainability and digitalisation. **Deadline/availability** Until 31 December 2020. **Guaranteed amount** The proportional amount (according to the particular tranche regulation) of new loans granted by financial institutions to SMEs, self-employed workers and large companies to cover their liquidity needs arising from their current expenses and new investments. Up to €1.5m per person.	SMEs, self-employed workers and large companies.	Loans and other financial transactions granted to companies and self-employed persons with a registered office in Spain that have been affected by Covid-19 outbreak, provided that: ▪ the loans and operations have been formalised after 29 July 2020; ▪ the borrowers are not in default according to the files of the CIRBE as at 31 December 2019; ▪ the borrowers are not subject to insolvency proceedings proceeding as of 17 March 2020. The funding obtained should be exclusively used for some of the following purposes: ▪ New investments in Spain. ▪ Capital expenditure associated with the acquisition, rental or leasing for the expansion, adaptation or renewal of productive capacities. ▪ Financing needs derived, among others, from salary payments, invoices or maturities of financial or tax obligations.	**Territorial scope** State.

Emergency funding

State-guaranteed loans

Jurisdiction	Size of programme	Terms of guarantee	Eligible borrowers	Terms of loans	Territorial scope/ cross-border issues
Spain	**State-backed guarantee line for bank financing of main residence lessees** €1.2bn	**Guarantor** Ministry of Transport, Mobility and the Urban Agenda, through the ICO. **Purpose** Guarantee the financing of lessees in a state of sudden vulnerability as a result of the Covid-19 health crisis in connection with their rental obligations under the lease of their main residence. **Deadline/availability** Until 30 September 2020. **Guaranteed amount** Up to six monthly rental payments.	Lessees in a state of vulnerability as a result of the Covid-19 health crisis in connection with their rental obligations under the lease of their main place of residence.	**Purpose** To pay the rent on their main residence (only). **Amount** up to six monthly rent payments. **Repayment** up to six years (although it can be exceptionally extended for another four). **Interest** no expenses or interest for the lessees shall accrue.	**Territorial scope** State
Spain	**Aid program to help minimise the economic and social impact of Covid-19 on main residence leases.**	**Purpose** To alleviate the financial burden on lessees who lease their main residences and have temporary difficulties in paying all or part of their rent and are in a situation of financial and social vulnerability as a result of Covid-19, by helping them pay the rent or repay any financial aid to which they may have access to funding rent payments as a result of the Covid-19 health crisis. **Amount** Up to €900 per month and 100 per cent of six monthly rental payments (or, if applicable, up to 100 per cent of the principal and interest of any loan aimed at financing payment of the rent of main residence leases).	Lessees who lease their main residences and have temporary difficulties in paying all or part of their rent and are in a situation of financial and social vulnerability as a result of Covid-19.	Determined by each autonomous regional government (*Comunidades Autónomas*).	**Territorial scope** Regional
Spain	**Extraordinary Social Fund** €300m	**Purpose** To finance basic social services benefits, exclusively to address the extraordinary situations caused by the Covid-19 outbreak. This fund may be used to finance projects and employment contracts necessary for certain purposes (eg home proximity services, home assistance services, care services for the homeless).	Not applicable	Not applicable	**Territorial scope** Regional
Spain	**Increased net debt limit for the ICO and measures to increase available financing** €10bn	The net borrowing capacity of the ICO provided in the State Budget was extended (*Presupuestos Generales*) by €10bn to provide liquidity to companies (in particular, SMEs and self-employed workers) via the existing ICO lines/guarantees. The ICO is expressly empowered to implement the measures necessary to expedite and extend the financing available.	Not applicable	Not applicable	Not applicable

Sectorial support plans

Jurisdiction	SMMEs	Supply chains	Export credit	Specific industries	Other
Spain	**Rent support** *Measures* For leases with large property owner: compulsory moratorium on rental payments when the lessor is a public company/entity or a large property owner (ie, natural or legal person who owns (1) more than ten urban properties – excluding garages and storage rooms; or (2) a constructed surface area of more than 1,500 square metres. For other leases: rent renegotiation mechanism for non-residential or industry leases, where the lessor is not a public company/entity or a large property owner, according to which the lessee meeting the established requirements will have one month from 21 April 2020 to request a temporary and extraordinary rent payment moratorium, which the lessor is not obliged to accept. *Deadline/availability* From 14 March to 21 June 2020. *Amount* Maximum of four monthly rental payments. *Eligible borrowers* SMEs that lease property for non-residential purposes, that are financially unable to meet all or part of their payment obligations and their activity is suspended or their turnover has been reduced by at least 75 per cent. *Terms* Lessees must return the unpaid rent to the lessor in instalments over the following two years after the contract entered into force, free of penalties and interest.		**Insurance coverage facility** *Measures* During a maximum term of six months from 18 March 2020, the capacity of the company Española de Seguros de Crédito a la Exportación, S.A. Cía. de Seguros y Reaseguros (CESCE), S.M.E. was increased by €2bn to afford insurance coverage backed by the Internationalisation Risks Reserve Fund. This coverage is available for working capital loans acquired by the insurance company. *Eligible borrowers* Available to SMEs (as defined in Annex I of EU Regulation 651/2014 of the Commission[80]), together with other larger companies, provided (1) they are not listed companies; (2) their international business represents at least one-third of their turnover or companies that have regularly exported during the past four years in accordance with the applicable requirements; (3) have liquidity problems arising from Covid-19 crisis, and (4) are not in an insolvency or pre-insolvency situation, nor at risk of defaulting on debts with public sector companies or public administrations. **Terms** The necessary working capital credits for the exporting company will be eligible, without the need for a direct relationship with one or more export contracts, as long as they respond to new financing needs and not to situations prior to the current crisis.	**Extraordinary line of financing for the digital transformation and innovation of the tourism sector.** *Measures* Government's financial support addressed to private companies and self-employed workers of the tourist sector affected by the Covid-19 in order to cover their investments needs regarding digital transformation and innovation. *Deadline/availability* Investments and expenses made from 1 February 2020 to 31 December 2020. *Amount* €216m. *Eligible projects* Projects carried out by companies of the tourist sector in any part of the national territory that promote: ○ the digital transformation of companies; ○ tourism research, development and innovation projects, as long as they do not involve a simple application of research, development or innovations already carried out.	**Provisions for scientific research** Special provisions (amounting to c. €25m) have been made in the budget of the Spanish Ministry of Science and Research, for scientific research into Covid-19.

80 The definition of SME used for the purpose of EU Regulation 651/2014 is based on the definition included in the Commission Recommendation 2003/361/EC of 6 May 2003 concerning the definition of micro, small and medium sized enterprises.

Sectorial support plans					
Spain	**SME Accelerate Programme** The Government shall arrange for immediate implementation, through the public business entity RED.ES, of an SME promotion plan (named 'SME Accelerate Programme' or '*Programa Acelera PYME*'), in order to create a set of initiatives to support SMEs in the short and medium term. One of the initiatives within the SME Accelerate Programme is financial support from the Government through ICO financing for SMEs to purchase and lease equipment and services for the digitalisation of SMEs and remote-working solutions. The plan has a budget of €200m to be deployed in two years.			**Moratorium for mortgage-backed financing agreements in the tourism industry** *Measures* Moratorium of up to 12 months on payment obligations under mortgage-backed financing agreements governed by Spanish law and executed before 14 March 2020, provided that the collateral is a real estate located in Spain and exploited in touristic activities. The moratorium applies to unpaid instalments due as from 1 January 2020. *Eligible borrowers* Self-employed workers or legal persons who: ○ have their registered main office in Spain; ○ have not been declared insolvent prior 14 March 2020; ○ have suffered a not less than 40 per cent drop in turnover between March and May 2020, as compared to the same period in 2019; ○ do not benefit from any other moratoria.	**Deferments and refinancing of payments for science and technology park** Loan or advance payment instalments due and payable in 2020 by science and technology park developers, which are handled by the Spanish Ministry of Science and Innovation (or the equivalent ministry in charge of research, development and innovation) and granted from the year 2000 onwards are deferred to the same date in 2021. Developers may also request the refinancing of instalments due in previous years, although such refinancing will imply granting a new loan subject to specific terms and conditions.
Spain	**Amendments to SGIPYME loans** With respect to loans granted by a public body of the Ministry of Economy (the General Secretariat of Industry and Small and Medium-sized Enterprises (SGIPYME)), that were yet to be granted by 14 March 2020, the term for filing the required guarantees was extended up until 3 November 2020. Beneficiaries of SGIPYME loans granted in connection with industrial projects may request, under certain circumstances, amendments to the repayment schedule of the loan for a maximum period of two and a half years from 14 March 2020, provided that Covid-19 has caused the beneficiary to bear periods of inactivity, a reduction in sales or interruptions to the supply chain.			**Official financing for industrial projects** Beneficiaries of instruments of financial support for industrial projects, granted by the SGIPYME, may request postponement of the payment of the principal and/or interest due in 2020, under certain circumstances, if the Covid-19 crisis has led to beneficiaries suffering periods of inactivity, a decrease in the volume of sales or an interruption in supply to the value chain that makes the payment more difficult or prevents it.	

Sectorial support plans					
Spain				**Measures to support the seaport sector** Aid package for the seaport sector that provides for savings of approximately €100m for companies operating in this market. Among the main measures, the Port Authorities (*autoridades portuarias*) have been empowered to (1) reduce the minimum traffic required for 2020 and the occupation fee up to certain percentages, at the request of the operators, upon proof of the negative impact on their activities caused by the outbreak of Covid-19; (2) temporarily reduce the vessel fee for certain vessels (including those which must remain moored or anchored in port waters as a result of any injunction by health authorities to contain the expansion of Covid-19); and (3) postpone the payment of port fees accrued between 13 March and 30 June 2020 inclusive.	
Spain				**Measures to support the road transport sector** Companies and self-employed workers whose business activity includes public transport of passengers and goods may benefit from: (1) a six-month moratorium as from July 2020 in the repayment of loan principal, leasing and renting of vehicles devoted to public transportation of passengers and goods; and (2) economic compensations for the income reduction and cost increase due to the pandemic regarding public passenger transport services contracts.	

Relaxation of regulatory requirements for lenders[81]	
Jurisdiction	
Spain	**Dividends and share buy-backs** On 27 March 2020, the European Central Bank (ECB) issued a recommendation on dividend distributions by credit institutions during the Covid-19 health crisis (ECB/2020/19), in which it proposed that, at least until 1 October 2020, credit institutions subject to its direct supervision refrain from paying dividends and from undertaking commitments to pay out dividends for financial years 2019 and 2020, and from carrying out share buy-backs aimed at remunerating shareholders. On the same date, the Bank of Spain extended this recommendation to the credit institutions subject to its direct supervision (less significant institutions). In line with the above, on 31 March 2020, European Banking Authority issued a statement to support the measures implemented by the ECB and remaining European supervisors, urging all institutions to follow such recommendations.
Spain	**Variable pay of senior executives** In the statement of 31 March 2020, the EBA urges the competent authorities to require supervised institutions to review their remuneration practices and policies in the light of the current situation. In particular, it calls for variable pay to be set at a conservative level by deferring it for a longer period and increasing the portion that should be paid out in shares.
Spain	**Pillar 2** In accordance with the measures announced by the ECB on 12 March 2020, institutions are allowed to operate below the level of capital recommended pursuant to the Pillar 2 Guidance or P2G (also allowing to operate temporarily below the level of the liquidity coverage ratio). The new rules on the composition of the Pillar 2 Requirement or P2R, that were initially scheduled to come into effect in January 2021, have been brought forward. In addition, capital buffers (and in particular, the capital conservation buffer) are temporarily available, and, from 16 April 2020, the ECB allows institutions to reduce their capital requirements for market risk (adjustment of the qualitative market risk multiplier).
Spain	**Leverage ratio** On 28 April 2020, the European Commission announced the deferral for one year to 1 January 2023 of the leverage ratio buffer requirement applicable to global systemically important institutions (G-SIIs). Additionally, the new banking package to facilitate bank lending to households and businesses adopted on the same date, modifies the offsetting mechanism applicable to institutions that opted (with the prior temporal authorisation of the competent authority) to exclude the central bank reserves from their leverage ratio calculation.
Spain	**Transitional arrangements to mitigate the impact of IFRS 9 on capital** The European Commission proposed an extension of the current transitional arrangements to mitigate the impact of IFRS 9 provisions on regulatory capital by two years (until 2024). This would include in these transitional arrangements new credit losses provisions that institutions record in 2020 and 2021 for their financial assets that have not defaulted. The extension does not benefit provisions incurred before 1 January 2020 as they are understood not to be related to the Covid-19 pandemic.
Spain	**Impact of the moratoria** Both the EBA and the Bank of Spain have issued several communications and recommendations[82] providing guidelines for the classification and coverage of loans affected by certain moratoria. According to these guidelines, loans that benefit from 'eligible' moratoria will not be automatically classified as refinanced or restructured loans (forborne exposure), nor will the suspension of payments be taken into account for the purpose of determining the default or will it automatically entail a significant increase in the risk associated with that credit (with the consequent increase in the level of coverage required). Moratoria that meet the following six conditions should be considered 'eligible': • was launched in response to the Covid-19 health crisis. It must be announced and applied before 30 June 2020 (deadline can be revised); • is based on the law (public or legislative moratorium) or on a private initiative (non-legislative or private moratorium); in the latter case, it should be promoted on a sectorial basis either by associations representing the industry (such as 'AEB' or 'CECA', in Spain) or by a broad and representative group of entities acting in a coordinated manner (individual initiatives seem a priori to be ruled out); • is offered to a large group of predefined obligors based on broad criteria, with no individual assessment of their creditworthiness; • applies only changes to the schedule of payments for a predefined limited period of time, not to other terms and conditions of the loans; • offers the same conditions to all exposures subject to the moratorium, even if it must be voluntary for obligors; and • does not apply to new loan contracts granted after the date when the moratorium was announced (new loans).
Spain	**Other recommendations to mitigate pro-cyclicality** The ECB recommends that all credit institutions avoid pro-cyclical assumptions in their models for determining provisions and that those institutions that have not yet done so should opt for the transitional measures in IFRS 9.
Spain	**Reporting** In the statement on supervisory reporting and Pillar 3 disclosures in light of Covid-19 published by the EBA on 31 March, it was announced that, in general, the deadlines for institutions to submit periodic supervisory data and information (supervisory reporting) are extended by one month, with three exceptions: • the funding plans, which had already been extended by two months in the EBA statement of 25 March (EBA provides clarity to banks and consumers on the application of the prudential framework in light of Covid-19 measures); • information on the liquidity coverage ratio (LCR), which regularity remains the same; and • reporting for resolution planning purposes, which regularity and deadlines remain the same.

81 Please note that these measures, although applicable in Spain, have been approved by European Union institutions.

82 In particular, the communications of 25 March and 30 March 2020 from the EBA and the Bank of Spain respectively; the Guidelines on legislative and non-legislative moratoria on loan repayments applied in the light of the Covid-19 crisis (EBA/GL/2020/02) of 2 April 2020; and the Q&A published by the Bank of Spain on 3 April 2020.

Spain	**Stress testing** On 12 March 2020, the EBA issued the statement on actions to mitigate the impact of Covid-19 on the EU banking sector which included postposing this year's stress tests until 2021 in order to allow banks to prioritise their continuity.

Stay/rescheduling of statutory time periods

Jurisdiction	Length of protected period	Scope (time bar, registration, unenforceability, inadmissibility, expiry, automatic discontinuance of action, enforcement, voidness, etc) and carve outs	Impact on insolvency and work outs	Territorial scope/cross-border issues

Stay/rescheduling of contractual obligations

Jurisdiction	Length of protected period	Scope (penalty payments, penal clauses, etc) and carve outs	Can be waived?	Combines with *force majeure*/ frustration/unforeseeability?	Territorial scope/cross-border issues
Spain	Three months	**Mortgage payment moratorium** Moratorium on the payment of mortgage debts incurred by borrowers in a situation of financial vulnerability when the financing was intended to finance the acquisition of: • main residence of the borrower; • properties linked to the business activities of self-employed workers who suffer a drop in income or sales of at least 40 per cent; or • leased residential properties, where the borrower has ceased to receive regular rental payments since 14 March 2020 and up to 21 July 2020.	Not applicable	Not applicable	**Territorial scope** State
Spain	Three months	**Consumer finance moratorium** Moratorium on the payment of mortgage-backed loans and consumer loans by borrowers in a situation of financial vulnerability as a consequence of the Covid-19 outbreak.	Not applicable	Not applicable	**Territorial scope** State
Spain		**Deferment of repayment for loans granted by autonomous regions and city councils** Companies and self-employed workers that are borrowers under financial loans or credits granted by the regions or city councils may request a deferral of their payments of the principal and/or interest to be made during 2020 provided that certain requirements are met (a significant reduction in sales or interruptions to the supply chain in such a manner that it is difficult or impossible for them to continue to serve their debts).	Not applicable	Not applicable	**Territorial scope** Regional

Temporary changes to insolvency and work outs framework

Jurisdiction	Freeze of assessment of cessation of payments	Freeze/rescheduling of insolvency applications	Extension of time periods within insolvency proceedings (plan, etc)	Other	Impact on restructurings
Spain	**Suspension of the obligation to call a shareholders' meeting when grounds for dissolution exist** If grounds for mandatory winding-up exist (such as, especially, if their equity falls below 50 per cent of their share capital), the term for the management body to call a general meeting (to decide on the dissolution or dismiss the grounds for dissolution) was suspended until 21 June 2020.	**Suspension of the obligation to file insolvency petitions until 31 December 2020** Debtors facing insolvency will be released from the obligation to file for bankruptcy until 31 December 2020. In the same period, applications for insolvency filed by creditors will not be processed by the courts.	**Modification of court-approved refinancing agreements** Debtors may exceptionally request court approval of the amendments of already approved creditors' rearrangements or restructuring schemes until 14 March 2021.	**New money provided during the state of emergency** Any loans by, or indebtedness in favour of related parties (eg shareholders over certain equity interest, directors, group companies, etc) drawn down as from 14 March 2020 will rank as ordinary claims (rather than as subordinated claims) if the insolvency of the borrower or obligor is declared before 14 March 2022. Should any such related parties purchase or refinance as from 14 March 2020 existing financings, their claims will continue to rank as privileged or ordinary claims (not subordinated claims) if the borrower's or obligor's bankruptcy is declared before 14 March 2022.	Not applicable
Spain	**Management's body personal liability** If grounds for mandatory winding-up arise between 14 March and 21 June 2020, the management body will not be (personally) liable for any corporate debts incurred during that period.		**Declarations of non-compliance of court-approved refinancing agreements** Until 14 September 2020, petitions for judicial confirmation of default of existing court-approved refinancing schemes will not be processed. The court will serve notice of any such filings to the debtor. The debtor will then be entitled to start negotiations with the creditors to seek a restructuring plan. Should that be the case, the petition for the court confirmation of the default will be stayed for three months and will then only proceed to the extent the debtor has failed to reach an agreement with its creditors either to modify the existing restructuring agreement or to execute a new one.	**Financing provided under an in-court creditors' agreements previously approved or modified** In order to sponsor the granting of new money to businesses by shareholders and other related parties to cope with cash constrains resulting from Covid-19 crisis, if an already approved in-court creditors' restructuring agreement is breached or modified after 14 March 2020 and before 14 March 2022, any claims for new money held by related parties resulting from such restructuring agreements or their amendments will be considered post-insolvency claims (*créditos contra la masa*), as opposed to insolvency claims, provided that such claims: • are below the maximum threshold for such claims expressly established in the restructuring agreement or its amendment; • the identity of the related person creditor is expressly disclosed in the restructuring agreement or its amendment; and • any collateral securing the claims are in accordance with the restructuring agreement or its amendment.	

			Modification of in-court creditors' agreements (*convenio de acreedores*) For a period of one year starting 14 March 2021, modifications can be proposed in connection with existing in-court creditors' agreements currently pending fulfilment. The modification will not affect credits accrued or incurred during the fulfilment of the in-court creditors' agreement or privileged credits affected by the in-court creditors' agreement, except if they vote in favour of, or expressly adhere to, the modification.	**Measures to speed up insolvency proceedings** A fast-track procedure has been established for motions that aim to preserve business viability, asset-protection and recovery measures and labour measures. The following applications will be fast-tracked: • approval of refinancing agreements; • sale of business units as a going concern; • global sale of assets; and • proposals or modifications of in-court creditors' restructuring agreements. Labour matters are also given priority, as are claw-back actions, interim measures and, generally, any other measures that the court deems may be beneficial to maintain and preserve assets and rights in connection with the insolvency proceedings.	
			Stay of obligation to request liquidation due to impossibility of fulfilling in-court creditors' agreements Until 14 March 2021, bankrupt companies will not be required to apply for liquidation upon becoming aware of the impossibility of fulfilling any already approved creditors' restructuring agreement or new obligations, provided that the debtor files a proposal for an amendment of the creditors' restructuring agreement within such a term.		

Other issues					
Spain		Non-EU and non-EFTA residents, and EU or EFTA residents beneficially owned by non-EU and non-EFTA residents, must seek prior governmental approval to acquire 10 per cent or more in, or to effectively participate in the management or control of, Spanish companies engaged in certain strategic sectors (eg, critical infrastructures, critical technologies and dual-use items, means of communication) or in any sector whatsoever if the investor: • is directly or indirectly controlled by a foreign government; • has already made an investment affecting national security or public policy in another EU Member State; or • is subject to ongoing judicial or administrative proceedings for engaging in illegal or criminal activities. Investments carried out without prior authorisation are invalid and without any legal effect (until the required authorisation is obtained) and shall receive fines amounting up to the value of the transaction itself.	Families with children who are beneficiaries of a school canteen allowance will be entitled to financial aid or direct provision of food. To this end, the application of the Contingency Fund and an additional provision of €25m for the Spanish Ministry of Social Rights have been authorised.		

25. Sweden

Lisa Antman, Wigge & Partners, lisa.antman@wiggepartners.se

Completion date: 04 September 2020

Emergency funding					
State-guaranteed loans					
Jurisdiction	**Size of programme**	**Terms of guarantee**	**Eligible borrowers**	**Terms of loans**	**Territorial scope/cross-border issues**
Sweden	SEK 100bn	The Swedish state guarantees 70 per cent of new loans which the banks disburse. The guarantees are valid for up to three years. The possibility to participate in the program applies to loans which are granted up until 30 September 2020. Banks who wish to participate in the program enters into a guarantee agreement with the Swedish National Debt Office (Sw. *Riksgäldskontoret*) (the NDO). Each bank pays a risk-based guarantee fee to the NDO. Such fee is determined by the relevant borrowers' current risk category.	The guarantee primarily targets SMEs, but there is no formal size limitation. All forms and types of companies are eligible, except for financial companies. To be eligible, a company must have been negatively affected, suffering a decrease of turnover calculated and confirmed in writing by the borrower, by the consequences of Covid-19.	There is a limit of SEK 75m per borrower (from which the NDO may grant an exception). Several companies from the same group may each be granted a loan. Each borrower pays interest as usual. The interest is set by the bank and is based on the risk assessment of each borrower, considering that the Swedish state guarantees a large part of the loan. Each borrower is given adjournment on interest payments during the first 12 months. There are no requirements on amortisation during the first 12 months and each loan may be free of amortisation during the whole term of the loan.	
Sweden	SEK 5bn (of which SEK 1.5bn are directed towards Scandinavian Airlines and SAS)	A guarantee may only be issued if there are terms in the guarantee agreement preventing the guaranteed loan amount from being used for other purposes than what is necessary to avoid bankruptcy. A guarantee fee shall be payed to finance the risk and administrational costs of the Swedish state. The guarantees shall be reported to and approved by the European Commission before being issued.	Airlines who per 1 January 2020 had a Swedish permit for commercial operations within air traffic and who have their main business or domicile in Sweden.		

Sectorial support plans					
Jurisdiction	**SMEs**	**Supply chains**	**Export credit**	**Specific industries**	**Other**
Sweden					The Swedish Central Bank (*Sveriges Riksbank*), through its executive board, has decided to offer to lend SEK 500bn to companies, through the banks, for the purpose of maintaining and securing the provision of credit to Swedish companies. The banks are being offered SEK 500bn against collateral for on-lending to non-financial companies operating in Sweden. A floating interest corresponding to the Swedish Central Bank's repo rate (*reporäntan*), which is currently at 0 per cent, applies to the loans. The term of a loan is two years. The Swedish Central Bank will continuously follow up on the banks' on-lending to non-financial companies to ensure that the loans will benefit such companies.
Sweden				Temporary reduction of fixed rents (*fasta hyreskostnader*) in certain exposed industries such as hotels, restaurants, retail and certain providers of consumer services, such as dentists and hair dressers. A landlord who has lowered its fixed rent for tenants in such exposed industries during the period from 1 April 2020 to 30 June 2020 may apply for compensation of a part of such reduction. Such compensation may be given in an amount of up to 50 per cent of the lowered fixed rent, but not more than 25 per cent of the original fixed rent.	

Sweden					Conversion aid (*omställningsstöd*) for companies with heavily reduced turnover caused by the spread of Covid-19. All companies approved for corporate taxation and foundations, non-profit associations and registered religious associations which are exempt from taxation but fulfils the requirements for being publicly beneficial may apply for the conversion aid. To be eligible, companies shall have accounted for a net turnover of at least SEK 250,000 during the latest financial year. Further, such net turnover shall have decreased with more than 30 per cent during March and April 2020 compared with the same months in 2019. Such decrease must, in turn, be caused by the spread of Covid-19. Conversion aid may be granted in an amount spanning from SEK 5,000 to SEK 150m and shall contribute to cover each company's fixed costs (eg insurance costs, rents, leasing fees and interest payments).
Sweden	Sole traders and natural persons being partners of Swedish partnerships may set apart all profit of 2019, up to an amount of SEK 1m , to their tax allocation reserve postponing (but not exempting) the taxation for such amount. This results in many traders having a taxable profit of SEK 0 for 2019 and, consequently, being able to regain preliminary tax paid for 2019.				

	Almi, a company owned by the Swedish state who offers loans and provides business development, has been given a SEK 3bn capital injection to increase lending to small and medium-sized enterprises. In addition, the Swedish Export Credit Corporation's (*Svensk Exportkredit*) credit framework is increased from SEK 125bn to SEK 200bn and can be used to provide both state-supported and commercial credit to Swedish companies. Further, the Swedish Export Credit Guarantee Agency's (*Exportkreditnämnden*) ceiling for credit guarantees is increased to a total of SEK 500bn, and the lower risk for banks will give companies new and improved credit opportunities.				
	Almi Invest, a company owned by Almi which conducts private equity operations, has been given a greater scope to be an active investor in small innovative companies (such as start-ups and scale-ups). This is done by lowering the requirement that every investment be matched with at least an equal amount of private risk capital to only comprise 30 per cent of private risk capital, as of 1 May 2020. This measure is a supplement to the SEK 3bn capital injection to increase lending to small and medium-sized enterprises.				

Relaxation of regulatory requirements for lenders

Jurisdiction	

Stay/rescheduling of statutory time periods

Jurisdiction	Length of protected period	Scope (time bar, registration, unenforceability, inadmissibility, expiry, automatic discontinuance of action, enforcement, voidness, etc) and carve outs	Impact on insolvency and work outs	Territorial scope/cross-border issues
Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

Stay/rescheduling of contractual obligations

Jurisdiction	Length of protected period	Scope (penalty payments, penal clauses, etc) and carve outs	Can be waived?	Combines with *force majeure*/ frustration/unforeseeability?	Territorial scope/cross-border issues
Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

Temporary changes to insolvency and work outs framework

Jurisdiction	Freeze of assessment of cessation of payments	Freeze/rescheduling of insolvency applications	Extension of time periods within insolvency proceedings (plan, etc)	Other	Impact on restructurings
Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

Other issues

Jurisdiction	Regulatory relief measures taken at national level
Sweden	Reduction of employers' contributions (*sociala avgifter*) from 1 March 2020 to and including 30 June 2020. The reduction may be applied to up to 30 employees per company (all companies, regardless of size and also if in the same group, included) and up to a salary amount of SEK 25,000 per employee and month, meaning that each employer is given an alleviation of up to SEK 5,300 per employee and month. If the monthly salary of an employee exceeds SEK 25,000, the employer shall pay the whole employer's contribution on the amount that exceeds SEK 25,000. Each company may choose which employees to which the reduction shall apply, and employees with all forms of employment may be chosen.
Sweden	The existing right for one person companies who hires a first employee to during a period of up to 24 months receive a reduction of employers' contributions is temporarily expanded. The expansion means that also one person companies who hires two persons and companies who has one employee and hires a second person is given the abovementioned right to reduction of employers' contributions. The expansion applies to employments during the period 1 July 2021 to 31 December 2022.
Sweden	Companies may be granted respite with payment of certain taxes during a 1-year period. These taxes are employers' contributions (*sociala avgifter*), preliminary tax on salaries (*preliminärskatt på lön*) and VAT (*moms*). The possibility for being granted a respite comprises 3 months of tax payments and may be granted for a maximum period of 12 months. Regarding payments of VAT, which are accounted for on a whole-year basis, respite may be granted for a maximum period of one fiscal year. Respite will not be granted to companies who are mismanaging, frivolous or who have larger tax debts.

26. Switzerland

Benedikt Maurenbrecher, Marco Häusermann, Homburger, Benedikt.Maurenbrecher@homburger.ch

Completion date: 23 September 2020

Emergency funding					
State-guaranteed loans					
Jurisdiction	**Size of programme**	**Terms of guarantee**	**Eligible borrowers**	**Terms of loans**	**Territorial scope/cross-border issues**
Switzerland	CHF 40bn – approximately CHF 17bn drawn	Loan up to CHF 500,000: 100 per cent state-guaranteed Loan between CHF 500,000 and CHF 20m: 85 per cent state-guaranteed Loan over CHF 20m: only in hardship cases and upon specific approval of state Guarantees given by (pre-existing) surety organisations which are backed by the Swiss confederation	Sole proprietorships/partnerships/legal entities with an UID number Self-declaration that the following requirements are fulfilled: • established before 1 March 2020 in Switzerland; • severe economical impairment due to Covid-19 (namely in terms of turnover); • not subject to bankruptcy/composition proceedings and not in liquidation; • no other Covid-19 loans applied for or received; and • turnover in 2019 no more than CHF 500m (determined on basis of applicant's stand-alone financial statements).	Request with applicant's principal bank/PostFinance AG Deadline for application: 31 July 2020 No duty of banks to grant loans. Size: maximum 10 per cent of turnover in 2019 up to CHF 20m Duration: five years (extendable by five years in case of hardship) Interest: • 0.0 per cent up to CHF 500,000; • 0.5 per cent on 85 per cent of loan amount between CHF 500,000 and CHF 20m (ie state-guaranteed part, interest being reassessed annually against market developments); • 15 per cent of loan amount between CHF 500,000 and CHF 20m (ie non-state-guaranteed part) to be agreed between lending bank and borrower. Security: no security for loans up to CHF 500,000, for unguaranteed part of loans between CHF 500,000 and 20m additional security may be requested Procedure: ○ loans up to CHF 500,000: no assessment of applicant's creditworthiness, standardised Covid-19 credit agreement; ○ loans up to CHF 2m: credit assessment, standardised Covid-19 credit application form/procedure but individual credit agreement. Restrictions on borrowers: • no distribution of dividends/royalties, reimbursement of capital contributions; no granting of loans or refinancing of private or shareholder loans; no repayment of intra-group loans; no transfer of funds made available under Covid-19 loan program to an affiliate domiciled outside of Switzerland; and no use of funds made available under Covid-19 loan program for new investments in noncurrent assets except for the purpose of replacements.	Enterprises domiciled in Switzerland Not eligible: Swiss branches of foreign companies.

Sectorial support plans

Jurisdiction	SMEs	Supply chains	Export credit	Specific industries	Other
Switzerland	See above	Not applicable	Not applicable	**Air travel** The Swiss Aviation Act was amended to allow government to make investments in and to grant loans, guarantees, sureties to not only airlines but also companies providing ground handling or airplane maintenance services; parliament approved credit support of up to CHF 1,275 bn to airlines and of up to CHF 600m to airline-related businesses. Sports Loans of up to CHF 150m to Swiss Olympic to support structures in amateur and professional sport. Loans of up to CHF 100m to Swiss Football League and 75m to Swiss Ice Hockey Federation for 2020 with option to grant same amounts in 2021 if pandemic restrictions continue. **Cultural sector** Swiss Parliament approved CHF 280m of which • CHF 100m was emergency support for non-profit-oriented cultural enterprises; • CHF 25m for Swiss artists; • CHF 145m as compensation to Swiss artists and organisers for financial losses due to Covid-19 related measures; and • CHF 10m for amateur music and theatre associations. **Tourism** Swiss parliament approved CHF 40m to finance tourism campaigns.	**Start-ups** Loans guaranteed 65 per cent by state, 35 per cent by cantons/third parties. Maximum size of loan: the lower of one-third of running expenses in 2019 and CHF 1m; interest as agreed among parties; maximum duration ten years (extendable by five years in case of hardship)

Relaxation of regulatory requirements for lenders

Jurisdiction	
Switzerland	No relaxation for lenders in general. Specific relaxation for PostFinance AG: may grant Covid-19 loans up to CHF 500,000 to existing customers despite it otherwise being prohibited from granting loans.

Stay/rescheduling of statutory time periods

Jurisdiction	Length of protected period	Scope (time bar, registration, unenforceability, inadmissibility, expiry, automatic discontinuance of action, enforcement, voidness, etc) and carve outs	Impact on insolvency and work outs	Territorial scope/cross-border issues
Switzerland	21 March 2020 to 19 April 2020	Pre-start of court holidays – no civil and administrative court proceedings (exceptions: mediation proceedings, summary proceedings)	No court proceedings (unless consent of all parties) Standstill of all statutory time periods during extended court holidays	Switzerland
Switzerland	13 March 2020 to 31 May 2020	Extension of time period for rent payments due between 13 March 2020 and 31 May 2020 from 30 to 90 days in case the tenant cannot make such rent payments due to the Covid-19 measures taken by government.		Switzerland

Stay/rescheduling of contractual obligations

Jurisdiction	Length of protected period	Scope (penalty payments, penal clauses, etc) and carve outs	Can be waived?	Combines with *force majeure*/ frustration/unforeseeability?	Territorial scope/cross-border issues
Switzerland	It is intended that the relief for tenants and leaseholders of business premises shall cover a part of the rents due for the duration of the closure of business premises as ordered by government	According to a decision of the Swiss Parliament, the Swiss Federal Counsel is drafting a bill with regard to payment relief for tenants and leaseholders of business premises with rents of less than net CHF 20,000 per month. It is intended that tenants and leaseholders get a reduction of 60 per cent of the rent. If this causes a hardship for landlords or lessors, they shall be able to seek for financial compensation by the government.	If the net rent amounts between CHF 15,000 and 20,000 per month, a waiver shall be possible by notification of the other party.	Not yet defined	Switzerland

Temporary changes to insolvency and work outs framework					
Jurisdiction	**Freeze of assessment of cessation of payments**	**Freeze/rescheduling of insolvency applications**	**Extension of time periods within insolvency proceedings (plan, etc)**	**Other**	**Impact on restructurings**
Switzerland	**Covid-19 moratorium** Introduction of a special Covid-19 moratorium for small and medium-sized enterprises, which provides such companies with a simple and straightforward procedure to obtain a temporary deferral of their payment obligations for up to three months (prolongation up to six months possible) combined with a stay of enforcement. Assignments of future receivables emerging after the Covid-1 moratorium are void. All limitation periods and deadlines stand still and also set-off is restricted.	**Stay of enforcement** General stay of enforcement (19 March 2020-4 April 2020 (prolonged by the statutory enforcement holidays until 19.04.2020)) **Special stay of enforcement** Stay of enforcement for the travel sector only for receivables emerging from the failure to provide travel services (21 May 2020-30 September 2020). **Notification of bankruptcy judge** Suspension of the duty of the board of directors and the auditors to notify the bankruptcy court in case of over-indebtedness if there is a prospect that the over-indebtedness will be eliminated by 31 December 2020, provided that the debtor was not already over-indebted on December 31 2019. **Changes to the ordinary moratorium proceeding (*Nachlassstundung*)** The application for a moratorium on outstanding debt does not require a recovery plan and is therefore simplified and accelerated. Even if there is no prospect of reorganisation or composition agreement by application for a provisional moratorium the judge cannot adjudicate bankruptcy.	**General standstill** General standstill or extension of the deadlines in court proceedings (21 March 2020-19 April 2020) **Provisional Moratorium (*prov. Nachlassstundung*)** Extension of the possible duration of the provisional moratorium from four to six months.	**Mode of auctions** The realisation of moveable assets on online auction platforms is possible, unlike before where an auction required the physical presence of its participants. **Delivery of notifications** Notifications from debt enforcement and bankruptcy authorities may be delivered in a contactless manner without confirmation of receipt.	The Covid-19 moratorium and the stay of enforcement create additional time for companies in financial distress caused by Covid-19, during which they can neither be prosecuted nor can their assets be executed by their creditors. This allows companies to generate additional liquid funds and implement other measures, so that companies with an (under ordinary circumstances) valid business model shall not have to file for bankruptcy . To this end, also the duty of the board of directors and the auditors to notify the bankruptcy court is suspend. However, since this is subject to certain conditions, the practical application of such exemption needs to be carefully assessed. Finally, the new Covid-19 moratorium and a facilitated access to the ordinary moratorium proceeding shall support Swiss companies to reorganise or restructure their business and liabilities under the protections of such moratorium proceedings.

Other issues

Jurisdiction	Regulatory relief measures taken at national level
Switzerland	**Short-term work compensation** Short-term work compensation is extended to fixed-term contracts and temporary employees, apprentices and (under certain conditions) employees on call, persons who work in the business of their spouse/registered partner and employees qualifying as employer-like. The application process is simplified and waiting periods are shortened. **Wage replacement** Persons who had to interrupt their working activities to take care of their children may apply for certain financial compensation. **Waiver of default interest** No default interest is due for delayed payment of federal taxes, value added tax, steering taxes and customs duties. **General assemblies** Every organiser may arrange that the participants of an assembly exercise their rights by mail or by a voting proxy. **Job reporting duties** Companies do not have to report available jobs. This may constitute a temporal application advantage for job-seeking persons registered with the public employment service.

27. Tunisia

Maya Boureghda Chebeane, JurisMed, maya.boureghda@juris-med.com

Completion date: 27 July 2020

Emergency funding

State-guaranteed loans

Jurisdiction	Size of programme	Terms of guarantee	Eligible borrowers	Terms of loans	Territorial scope/cross-border issues
Tunisia		Public Guarantee Mechanism for exports and commercial transactions	The guarantee is applicable to all borrowers to cover the following risks: • Reinsurance of commercial risks defined in Article 105 of the Insurance Code and relating to covered export transactions; • Reinsurance of the risks of non-payment relating to credit sales transactions on the local market covered and relating to certain activities of the detailed structure of the 2009 Tunisian nomenclature of activities.	Duration of the support: From 1 April 2020. Renewable once for a period of six months.	Tunisia

Sectorial support plans

Jurisdiction	SMEs	Supply chains	Export credit	Specific industries	Other
Tunisia	Support plans of TND 300m for SMEs whose activity is impacted by Covid-19. The support is applicable from 23 March 2020 to 31 December 2020. This support plan is applicable to all sectors except the following sectors: financial, trade, oil, real estate and telecommunication.	Yes	In addition to the support financing plan, a Public Guarantee Mechanism for exports and commercial transactions was created.	All sectors excepted the ones listed in the second column	Other measures have been adopted as the postponement of bank loan maturities

Relaxation of regulatory requirements for lenders	
Jurisdiction	
Tunisia	An exemption is provided for the Credits/Deposits ratio provided for by circular BCT 2018-10 of 1 November 2018. Circular BCT 2020-6 of 19 March 2020 (on exceptional support measures for businesses and professionals) has in fact repealed and replaced, temporarily and exceptionally, Articles 2 and 3 of Circular BCT 2018-10 for the first, second and third quarter of 2020. Banks whose loans/deposits ratio is above 120 per cent at the end of a given quarter must reduce this ratio by 1 per cent on a quarterly basis, take the necessary measures to reduce their ratio byt the end of the following quarter. The 'Credits/Deposits' ratio is defined by the ratio between the following numerator and denominator:

Numerator	Denominator
Gross outstanding customer loans in dinars after deduction of all deferred sums in dinars.	Sum of the followings: • Outstanding customer deposits and assets in dinars after deduction of other sums due to customers, • Outstanding certificates of deposit, • Any other form of borrowing in dinars and currencies, with the exception of bond issues and money market borrowings.

Stay/rescheduling of statutory time periods

Jurisdiction	Length of protected period	Scope (time bar, registration, unenforceability, inadmissibility, expiry, automatic discontinuance of action, enforcement, voidness, etc) and carve outs	Impact on insolvency and work outs	Territorial scope/cross-border issues
Tunisia	Not applicable	Not applicable	Not applicable	Not applicable

Stay/rescheduling of contractual obligations

Jurisdiction	Length of protected period	Scope (penalty payments, penal clauses, etc) and carve outs	Can be waived?	Combines with *force majeure*/ frustration/unforeseeability?	Territorial scope/cross-border issues
Tunisia	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

Temporary changes to insolvency and work outs framework

Jurisdiction	Freeze of assessment of cessation of payments	Freeze/rescheduling of insolvency applications	Extension of time periods within insolvency proceedings (plan, etc)	Other	Impact on restructurings
Tunisia	Not applicable	Not applicable	Not applicable		
	No provisions have been adopted as temporary changes to insolvency.	Companies under insolvency proceedings are not eligible for support plans, tax and financial incentives, including: • companies in default of payment; • companies subject to bankruptcy proceedings under Law No. 2016-36 of April 29, 2016 on bankruptcy proceedings.			

Other issues

Jurisdiction	Regulatory relief measures taken at national level	Digitalisation
Tunisia	Extension of delays for public tenders.	Increase of digitalisation of administrative procedures

28. Turkey

Halide Cetinkaya, CCAO, halide.cetinkaya@ccaolaw.com

Completion date: 27 July 2020

Emergency funding					
State-guaranteed loans					
Jurisdiction	**Size of programme**	**Terms of guarantee**	**Eligible borrowers**	**Terms of loans**	**Territorial scope/cross-border issues**
Turkey **Credit Guarantee Fund**	Guarantee limits for each beneficiary entitled to benefit from the Credit Guarantee Fund (CGF) support are as follows: • Maximum TRY 35m (approximately €4.5m) for SMEs.83 This limit will be a maximum of TRY 50m (approximately €6.5m) until 31 December 2020; • maximum TRY 250m (approximately €32m) for non-SMEs. However, this limit will be maximum TRY 350m (approximately €45m) until 31 December 2020.	Depends on the conditions agreed between the relevant Turkish bank and the borrower.	Any enterprise with its registered office in Turkey, provided that it fulfills the below-mentioned conditions, may be eligible to receive CGF-guaranteed loans. The size of the beneficiary, however, changes the available guarantee support that the enterprise may receive. There are general conditions set out under the legislation for a company to benefit from CGF-guarantees when borrowing a loan from a Turkish bank. Those conditions include: • not being insolvent; • having duly made tax payments and payments to the Social Security Institution; • not having any exposure classified as a non-performing loan by a Turkish bank; and • being deemed creditworthy by a Turkish financial institution and the CGF having received the relevant documents evidencing such creditworthiness. Additional conditions might apply based on the protocols entered into between the Turkish Ministry of Treasury and Finance (MoF) and the CGF, or the CGF and the relevant Turkish bank (noting that the CGF states on its website that the form of its protocol is identical for each Turkish bank, so that there is no difference between conditions of such protocols). In addition to these general conditions and conditions imposed in those protocols, Turkish banks may require other credit conditions from borrowers (such as collateral).	Fixed term of maximum 36 months. Term without principal payment maximum six months	Turkey

83 Under Turkish law, an 'SME' is an economic unit or enterprise having, as of the date hereof, (1) a headcount less than 250; (2) a yearly net sales revenue lower than TL 125m (approximately €16.2m); and (3) an asset size less than TL 125m.

Turkey **KOSGEB (Small and Medium Industry Development Organization)**	The upper limit was previously TRY 300,000 (approximately €39,000) in total per applicant enterprise. It has been increased to TRY 3m (approximately €390,000) annually per applicant enterprise, with the Decree issued by the President of the Republic of Turkey on 2 April 2020 (the Decree).	Working capital loans and capital expenditure loans must be denominated in Turkish lira. Loans to finance exports can be borrowed in F/X or F/X-indexed Turkish ;ira. The exact interest rates, maturity and length of grace periods are also set out in the protocols entered into by and between KOSGEB and Turkish banks. However, interest rates must be lower than the current market rates and the maturity cannot exceed 60 months.	KOSGEB, the Small and Medium Industry Development Organization, was providing credit support to only industrial SMEs by way of paying a certain portion of the loans that they borrow from Turkish banks. The Decree has expanded the scope of potential beneficiaries from KOSGEB credit support to encompass the non-industrial SMEs in order to facilitate their access to credit. If a beneficiary SME defaults on the principal payment of the loan, KOSGEB ceases its credit support for financing costs. The banking and insurance transactions tax is applied in a reduced rate of 1 per cent (instead of 5 per cent) over the interest accruing on KOSGEB-supported loans. Other conditions are set out in the protocols entered into by and between KOSGEB and Turkish banks.	KOSGEB has announced that the repayments on outstanding KOSGEB-supported loans, which were supposed to fall due in April, May or June 2020, are postponed until 30 June 2020. KOSGEB will bear the extra financing costs arising from such postponement vis-à-vis the Turkish banks. KOSGEB has also announced that the amount of postponed debt within this scope is TRY 713m (approximately €93m).	
Turkey **Loans under the leadership of the Banks' Association of Turkey (BAT)**	For an annual turnover with more than TRY 125m: TRY 50m (approximately €6.5m).	As per the announcement of the BAT, a maturity of 12-month and an interest rate of 9.5 per cent without any principal or interest payments for three months.	All firms adversely affected from the pandemic are eligible to file an application on the condition that they have not or will not decrease their headcount; however, this programme primarily targets SMEs. Since the lenders of these loans are commercial banks (including state-owned banks), the banks will ultimately decide on which customers they will grant loans to and on what terms. The BAT indicated in its announcement of 27 March 2020 that it is a pre-requisite for submitting an application for benefiting from these loans that the headcount of the applying company registered with the Social Security Institution as of the end of February is not diminished. As the provider of loans, general conditions imposed by commercial banks would also apply.	BAT made an announcement on 27 March 2020 that it will offer Turkish lira loans to businesses with a 12-month term and an interest rate of 9.5 per cent without any principal or interest payments for three months.	

Turkey **State-sponsored trade credit insurance for SMEs.**	A maximum coverage limit of TRY 750,000 (approximately €97,000) per counterparty is now available with the changes introduced at the end of March 2020. This limit was formerly TRY 300,000 (approximately €39,000). Lower maximum coverage limits apply depending on the most recent annual turnover realised by the applicant enterprise from forward sales.	The insurance premium varies depending on the most recent annual turnover realised by the applicant enterprise from forward sales and the maturity of the specific trade receivable to be insured, in a range between 0.22 per cent and 1.40 per cent of such turnover.	The scope of beneficiaries of state-sponsored credit insurance opportunities has been expanded with the 'Communiqué on Amending the State-Sponsored Commercial Credit Insurance Tariff and Instruction for Small and Medium-Sized Enterprises;, published in the Official Gazette dated 25 March 2020 and numbered 31079. In addition to micro- and small-sized enterprises meeting the required conditions, medium-sized enterprises may now also benefit from credit insurance opportunities. However, an annual net sales revenue limit has also been introduced. Enterprises with an annual net sales revenue of TRY 125m (approximately €16.2m) or higher cannot benefit from the state-sponsored trade credit insurance. The trade receivable must be denominated in Turkish lira. The maturity of the receivable cannot be longer than 360 days and must be specified in a written agreement or on the invoice related to such receivable. The counterparty cannot be a state-owned or state-controlled entity, or a non-merchant individual.		

Sectorial support plans

Jurisdiction	SMEs	Supply chains	Export credit	Specific industries	Other
Turkey				On 18 March 2020, President Erdoğan announced the government's tax measures to help businesses during the coronavirus epidemic. The measures allow businesses in the most affected industries to postpone certain tax and social security payments without penalty or late payment interest. Other economic measures are focused on maintaining the level of employment, with extended partial operation measures. The package announced on 18 March provides a six-month deferral of tax payments to certain sectors, including retail, shopping malls, accommodation, logistics-transportation, food-beverage, textile-garment, iron-steel and automotive. Taxes included in this measure are value added tax and income withholding tax (ie payroll tax).	

Relaxation of regulatory requirements for lenders	
Jurisdiction	
Turkey	Businesses, including SMEs, tradesmen and craftsmen, experiencing liquidity issues resulting from Covid-19 may seek low-interest loans that have become available through recent measures.
Turkey	On 25 March 2020, a Presidential Decree was adopted regarding the deferral of the payment of principal under the loans granted to tradesmen and craftsmen by Türkiye Halk Bankası AŞ (one of the state-owned banks), the maturity of which is between 1 April and 30 June 2020, for three months (on the condition that they do not decrease the employee headcount). Certain banks have also declared that they will postpone the principal and interest payments of companies, the cash flows of which are affected due to measures taken to prevent the Covid-19 outbreak.

Stay/rescheduling of statutory time periods				
Jurisdiction	**Length of protected period**	**Scope (time bar, registration, unenforceability, inadmissibility, expiry, automatic discontinuance of action, enforcement, voidness, etc) and carve outs**	**Impact on insolvency and work outs**	**Territorial scope/cross-border issues**
Turkey	Until 31 December 2020	The Banking Regulatory and Supervisory Authority (the BRSA) issued certain flexibilities on credit defaults in its decision dated 17 March 2020. **BRSA's measures** The 90-day default period for financial institutions to set aside special provisions is now 180 days for factoring and financing companies and 240 days for financial leasing companies. The 90-day default period for financing companies to set aside general provisions in respect of consumer loans other than housing loans is now 180 days. The above measures will be valid until 31 December 2020, and applicable to all financial institutions setting aside provisions in accordance with the expected loan loss model under TFRS 9 and receivables that are not monitored under the 'bad debt account'. For receivables that are not transferred to the 'bad debt account' in spite of the 90-day default, financial institutions will continue to set aside provisions in accordance with their own risk models. The BRSA increased the loan-to-value ratio from 80 per cent to 90 per cent for (1) loans secured by mortgage; and (2) housing loans in respect of properties valued at or below TRY 500,000. Furthermore, the Turkish Banks' Association (the TBA) issued certain advisory decisions on Turkish banks' activities. Pursuant to the TBA's advice, Turkish banks, at their own discretion, will be able to: • be flexible in determining its working and customer hours by informing their customers; • take the necessary measures to prevent crowding and close contact; and • temporarily close their branches that have the highest risks and the highest foot traffic.		Turkey

Stay/rescheduling of contractual obligations

Jurisdiction	Length of protected period	Scope (penalty payments, penal clauses, etc) and carve outs	Can be waived?	Combines with *force majeure*/frustration/ unforeseeability?	Territorial scope/cross-border issues

Temporary changes to insolvency and work outs framework

Jurisdiction	Freeze of assessment of cessation of payments	Freeze/rescheduling of insolvency applications	Extension of time periods within insolvency proceedings (plan, etc)	Other	Impact on restructurings

Other issues

Jurisdiction	Regulatory relief measures taken at national level
Turkey	Depends on the agreement's nature and subject Covid-19 and pandemic would be eligible to put *force majeure* clause into non-performing situation. Depends on the nature of the agreement and how pandemic impact to perform the obligations under the agreement.

29. United Kingdom

Christopher Lawrence, Macfarlanes LLP, Christopher.Lawrence@macfarlanes.com

Completion date: 15 September 2020

Emergency funding					
State-guaranteed loans					
Jurisdiction	**Size of programme**	**Terms of guarantee**	**Eligible borrowers**	**Terms of loans**	**Territorial scope/cross-border issues**
England & Wales	**Bounce Back Loan Scheme (BBLS)** £35.47bn of loans approved as at 16 August 2020.	100 per cent guarantee for a payment default UK Government also pays first 12 months interest and lender charges	Business adversely impacted by Covid-19 and not received funding under CBILS, CLBILS or CCFF (detailed below). Excludes, for example, public bodies, banks and state-funded schools. Further restrictions apply to an 'undertaking in difficulty'.	Loans available between £2,000 and 50 per cent of annual turnover subject to a £50,000 limit. Interest rate fixed at 2.5 per cent per year. Six-year term and no early prepayment fees.	Borrower must be UK-based in its business activity.
England & Wales	**Future Fund** £588.3m of loans approved as at 16 August 2020.	Not technically a guarantee scheme as the UK Government provides the loans	Raised a minimum private investment of £250,000 in the past five years; Has a substantive economic presence in the UK. Unlisted with (1) 50 per cent or more of employees UK based or (2) 50 per cent or more of revenues from UK sales.	Three-year convertible loans between £125,000 and £5m if private investors match the funding. Cannot use the funds to repay borrowings, pay dividends/bonuses or pay advisory fees. Minimum interest rate of 8 per cent per year (accrues until conversion or loan repayment).	Borrower must be incorporated in the UK (or eligible to apply as a non-UK parent company in limited circumstance) and UK-based in its business activity.
England & Wales	**Coronavirus Business Interruption Loan Scheme (CBILS)** £13.68bn of loans approved as at 16 August 2020.	80 per cent of a claim from a lender for a payment default UK Government also pays first 12 months interest and lender charges	Annual turnover of no more than £45m. Business would be viable but for Covid-19. Business adversely impacted by Covid-19. Not an 'undertaking in difficulty' for loans in excess of £30,000 (certain micro-companies will not be considered an 'undertaking in difficulty' if further conditions are met). Excludes, for example, public bodies, banks and state-funded schools.	Loans available up to £5m. Repayment within (1) six years for term loans and asset finance facilities, and (2) three years for overdrafts and invoice finance facilities.	Borrower must be UK-based in its business activity.
England & Wales	**Coronavirus Large Business Interruption Loan Scheme (CLBILS)** £3.5bn of loans approved as at 16 August 2020.	80 per cent of a claim from a lender for a payment default	Annual turnover of more than £45m. Not received funding under the CCFF (detailed below). Business would be viable but for Covid-19. Business adversely impacted by Covid-19. Not an 'undertaking in difficulty'. Excludes, for example, public bodies, banks and state-funded schools.	Loans available up to 25 per cent of annual turnover, subject to a £200m maximum (or £50m maximum for invoice finance and asset finance facilities). Restrictions on dividends, senior pay and share buy-backs if borrowing more than £50m. Terms available from three months to three years	Borrower must be UK-based in its business activity.

England & Wales	**Covid-19 Corporate Financing Facility (CCFF)** £17.5m of settled commercial paper purchased (less redemptions) as at 26 August 2020	Not technically a state guarantee scheme, however it is similar in nature as the UK Government indemnifies the Bank of England for any losses incurred in purchasing the commercial paper.	Minimum credit quality (eg investment grade rated or equivalent). Not received funding under CBILS, CLBILS or BBLS. Excludes, for example, public bodies, financial sector entities and leveraged investment vehicles.	Commercial paper to be issued directly into Euroclear or Clearstream in a minimum amount of £1m. Terms available from one week to 12 months and must not have non-standard features. Cost of borrowing set to a spread above the current sterling overnight index swap curve. May include restrictions on dividends and senior pay if certain criteria are met.	Borrower must make a material contribution to the UK economy.

Sectorial support plans

Jurisdiction	SMEs	Supply chains	Export credit	Specific industries	Other
England & Wales	Term funding scheme Bank of England provides four-year funding for lenders to SMEs on rates close to their bank rate, which then funds loans under CBILS and BBLS. Available until 30 April 2021.	Trade credit re-insurance £10bn indemnity scheme available until 31 December 2020 for eligible trade credit insurers so that trade credit insurance coverage and credit limits can be maintained during the Covid-19 disruption.	Not applicable – reliance on existing export credit schemes.	**Real estate** Help to Buy loan scheme (UK Government loans 20 per cent of the value of a first-time home, or 40 per cent for a home in London) deadline for construction of applicable residential properties to be completed extended from 31 December 2020 to 28 February 2021. **Charities** Bespoke Resilience and Recovery Loans (as part of CBILS) offered by social lenders to charities.	**Contingent Term Repo Facility (CTRF)** Bank of England activated the CTRF until June 2020 to allow lenders to borrow central bank reserves in exchange for less liquid collateral, which then funds loans under many of the state guarantee scheme detailed above.

Relaxation of regulatory requirements for lenders

Jurisdiction	
England and Wales	**Liquidity and capital buffers** Regulator guidance that lenders' liquidity and capital buffers can be reduced so that the funds released can be applied towards lending to businesses and individuals.
England and Wales	**Creditworthiness assessments** Relaxation of creditworthiness assessment requirements for CBILS and BBLS, so that lenders can make such loans more quickly.

Stay/rescheduling of statutory time periods				
Jurisdiction	**Length of protected period**	**Scope (time bar, registration, unenforceability, inadmissibility, expiry, automatic discontinuance of action, enforcement, voidness, etc) and carve outs**	**Impact on insolvency and work outs**	**Territorial scope/cross-border issues**
England and Wales	**New free-standing moratorium** Permanent reform available to companies from 26 June 2020	Companies can obtain a free-standing moratorium for 20 business days upon filing moratorium documents at court. An extension for another 20 business days is available without creditor consent, or up to one year with the approval of certain creditors.	During the moratorium, creditors cannot: • enforce security over the company's assets (with exceptions); • commence insolvency proceedings against the company; or • start debt recovery actions for certain debts falling before or during the moratorium.	May apply to overseas companies in limited circumstances.
England and Wales	**Prohibition on *ipso facto* clauses** Permanent reform available to companies from 26 June 2020	Prohibition on certain contractual provisions applying against a counterparty entering into a formal insolvency process. The courts can terminate contracts if the supplier would face hardship. Does not apply to small suppliers for a temporary period until 30 September 2020.	Prohibition on clauses in contracts that allow suppliers to do the following upon the counterparty entering into a formal insolvency process: a)terminate the contract; b)accelerate payments; c)cease provision of supplies; or d)amend the contract.	Applicable as a result of any counterparty entering into an English and Welsh insolvency proceeding.
England and Wales	**New restructuring plan** Permanent reform available to companies from 26 June 2020	New measure allowing companies encountering or likely to encounter financial difficulties to enter into a restructuring plan with increased scope to impose it upon dissenting creditors Companies must apply to the court to convene a shareholder/creditor meeting to vote on the plan and can be sanctioned by the court even if the requisite majority of members/creditors (75 per cent) do not approve the plan	Can use alongside the new moratorium (above) to restrain enforcement action while the restructuring plan is settled.	May apply to overseas companies in limited circumstances.
England and Wales	**Registration of charges at Companies House** Temporary time extension until 5 April 2021	A charge created by an English or Welsh company should usually be registered at Companies House within 21 days, but this is extended to 31 days until 5 April 2021.	If the charge is not registered within the statutory time limit the security is void as against a liquidator, administrator or creditor	Not applicable

Stay/rescheduling of contractual obligations					
Jurisdiction	**Length of protected period**	**Scope (penalty payments, penal clauses, etc) and carve outs**	**Can be waived?**	**Combines with *force majeure*/ frustration/unforeseeability?**[84]	**Territorial scope/cross-border issues**
England and Wales	**Consumer credit – personal loans, motor finance, credit cards, mortgages** Protection until 31 October 2020	Full or partial three-month payment deferral for customers experiencing or reasonably expected to experience temporary payment difficulties due to Covid-19.	The three-month period can be shortened or extended on a case-by-case basis, subject to regulatory rules protecting the customer's interest.	Not applicable	Applies to entities regulated by the Financial Conduct Authority and/or Prudential Regulation Authority
England and Wales	**Consumer credit – overdrafts** Protection until 31 October 2020	Customers who have temporary financial difficulties due to Covid-19 may, for an initial period of three months, (1) pay no interest on up to £500 of the balance of an arranged overdraft and (2) receive support from their bank with the cost of borrowing in excess of £500 through their overdraft.	Not applicable	Not applicable	Applies to entities regulated by the Financial Conduct Authority and/or Prudential Regulation Authority
England and Wales	**Consumer credit – high-cost short-term credit** Protection until 31 October 2020	Full or partial one-month payment deferral for customers experiencing or reasonably expected to experience temporary payment difficulties due to Covid-19.	The one-month period can be shortened or extended on a case-by-case basis, subject to regulatory rules protecting the customer's interest.	Not applicable	Applies to entities regulated by the Financial Conduct Authority and/or Prudential Regulation Authority
England and Wales	**Real estate – protection for business occupiers in arrears** Protection until 30 September 2020 (or 20 September 2020 for certain possession proceedings)	In respect of commercial tenants, landlords are prohibited from: • forfeiting a lease as a result of non-payment of rent; • commencing the Commercial Rent Arrears Recovery process (to seize assets of the tenant) until an amount equivalent to 189 days' net rent is in arrears; • progressing or enforcing certain possession proceedings; or • presenting a winding up petition as a result of non-payment of amounts owed to the landlord due to Covid-19.	Landlords can still: • issue a statutory demand for rent arrears (but cannot base a winding-up petition on the statutory demand during the protected period); • deduct amounts owed from rent deposits held; • claim against a tenant's guarantor; and • pursue a debt or damages claim through court proceedings.	Not applicable	Applicable to any overseas landlord or tenant as long as the property is located in England and Wales

84 Force majeure, frustration and foreseeability are concepts dealt with by common law in England and Wales and the entries in this table are matters relating to statutory or regulatory stays or rescheduling of contractual obligations.

Temporary changes to insolvency and work outs framework

Jurisdiction	Freeze of assessment of cessation of payments	Freeze/rescheduling of insolvency applications	Extension of time periods within insolvency proceedings (plan, etc)	Other	Impact on restructurings
England and Wales	Not applicable	Prohibition on filing winding up petitions against companies following a statutory demand for payment served between 1 March 2020 and 30 September, unless the company's inability to pay its debts is unrelated to Covid-19 or the company would have become insolvent regardless of Covid-19.	Not applicable	**Suspension of wrongful trading provisions** Usually company directors are personally liable and face disqualification if (1) a company becomes insolvent, (2) they knew there was no reasonable prospect of avoiding it and (3) they did not take all possible steps to minimise losses to creditors. However, liability for such wrongful trading is suspended from 1 March 2020 to 30 September 2020, so that directors do not file for insolvency prematurely as a result of Covid-19 related difficulties.	Not applicable

Other issues

Jurisdiction	Regulatory relief measures taken at national level	Other
England and Wales	Not applicable.	**Land Registry charge registrations** The rules have been relaxed so that security documents creating security over real estate will be accepted for registration if they are signed via an e-signing platform (previously 'wet ink' signatures were required).

30. United States of America

Russell da Silva, Pilsbury Winthrop Shaw Pittman, russell.dasilva@pillsburylaw.com

Completion, 04 September 2020

Emergency funding

State-guaranteed loans

Jurisdiction	Size of programme	Terms of guarantee	Eligible borrowers	Terms of loans	Territorial scope/cross-border issues
United States **Main programs:** **1. Paycheck Protection Program** **1. Main Street Lending Program – New Loan Facility** **1. Main Street Lending Program – Priority Loan Facility** **1. Main Street Lending Program – Expanded Loan Facility** **1. Main Street Nonprofit Organization – New Loan Facility** **1. Main Street Nonprofit Organization – Expanded Loan Facility**	Total of all programs: approximately US$2 trillion, of which roughly US$950bn in loans are available for businesses[85]	1. Direct loan from US government; not a guarantee programme. 2. Loan from eligible commercial bank, which in turn sells 95 per cent participation to a special purpose vehicle funded by the Federal Reserve. 3. Loan from eligible commercial bank, which in turn sells 95 per cent participation to a special purpose vehicle funded by the Federal Reserve. 4. Loan from eligible commercial bank, which in turn sells 95 per cent participation to a special purpose vehicle funded by the Federal Reserve. 5. Loan from eligible commercial bank, which in turn sells 95 per cent participation to a special purpose vehicle funded by the Federal Reserve. 6. Loan from eligible commercial bank, which in turn sells 95 per cent participation to a special purpose vehicle funded by the Federal Reserve.	1. US small businesses meeting designated criteria. 2. US medium-to-large businesses meeting designated criteria (eg, has 15,000 employees or fewer, or had 2019 annual revenues of US$5bn or less). 3. US medium-to-large businesses meeting designated criteria (eg, has 15,000 employees or fewer, or had 2019 annual revenues of US$5bn or less). 4. US medium-to large-businesses meeting designated criteria (eg, has 15,000 employees or fewer, or had 2019 annual revenues of US$5bn or less) 5. US not-for-profits meeting designated criteria (eg, has an endowment of less than $3bn and has total non-donation revenues equal to or greater than 60 per cent of expenses for the period from 2017 through 2019). 6. US not-for-profits meeting designated criteria (eg, has an endowment of less than $3bn and has total non-donation revenues equal to or greater than 60 per cent of expenses for the period from 2017 through 2019)	1. Maturity ranges between two to five years; some or all principal can be forgiven if borrower meets certain criteria; interest at 1 per cent per annum; no collateral or personal guarantees. 2. Five-year maturity; no amortisation in first three years; LIBOR plus 3 per cent; interest deferred for first year; cannot be subordinated. 3. Five-year maturity; no amortisation in first three years; LIBOR plus 3 per cent; interest deferred for first year; secured or unsecured; cannot be subordinated. 4. Five-year maturity; no amortisation in first three years; LIBOR plus 3 per cent; interest deferred for first year; cannot be subordinated. 5. Five-year maturity; payment of principal deferred for two years and interest deferred for one year (unpaid interest will be capitalised); LIBOR plus 3 per cent; cannot be subordinated. 6. Five-year maturity; payment of principal deferred for two years and interest deferred for one year (unpaid interest will be capitalised); LIBOR plus 3 per cent; secured or unsecured; cannot be subordinated.	US only: eligible borrower must be created or organised in the US or under the laws of the US, with significant operations in and a majority of its employees based in the US

85 All descriptions of programs are dramatically simplified for purposes of this chart. Details are available on US government websites.

Sectorial support plans					
Jurisdiction	**SMEs**	**Supply chains**	**Export credit**	**Specific industries**	**Other**
United States					US federal government programs also are available for state and municipal governments, Native American nations and other specific sectors.

Relaxation of regulatory requirements for lenders	
Jurisdiction	

Stay/rescheduling of statutory time periods				
Jurisdiction	**Length of protected period**	**Scope (time bar, registration, unenforceability, inadmissibility, expiry, automatic discontinuance of action, enforcement, voidness, etc) and carve outs**	**Impact on insolvency and work outs**	**Territorial scope/cross-border issues**

Stay/rescheduling of contractual obligations					
Jurisdiction	**Length of protected period**	**Scope (penalty payments, penal clauses, etc) and carve outs**	**Can be waived?**	**Combines with *force majeure*/ frustration/unforeseeability?**	**Territorial scope/cross-border issues**
New York	Until 15 October 2020	Freeze on real estate foreclosures	No	No	New York

Temporary changes to insolvency and work outs framework					
Jurisdiction	**Freeze of assessment of cessation of payments**	**Freeze/rescheduling of insolvency applications**	**Extension of time periods within insolvency proceedings (plan, etc)**	**Other**	**Impact on restructurings**
Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

Other issues	
Jurisdiction	**Regulatory relief measures taken at national level**
Not applicable	Not applicable

International Bar Association
4th Floor, 10 St Bride Street
London EC4A 4AD, United Kingdom
Tel: +44 (0)20 7842 0090
Fax: +44 (0)20 7842 0091
Email: editor@int-bar.org
www.ibanet.org