

## Notice to Financial Intermediaries

### EIF's response to COVID-19 – short-term measures

EIF's services are working intensively to ensure a swift and adequate response to the COVID-19 virus outbreak and the economic shock triggered by this emergency.

EIF's response to COVID-19 forms part of an integrated set of short- and medium-term measures put forward by the EIB Group and the European Commission, dedicated primarily to mitigating the negative economic consequences for impacted micro-, small and medium-sized enterprises and mid-cap companies.

[The EC communication](#) issued on Friday 13<sup>th</sup> March and the subsequent [EIB Group communication](#) published on Monday 16<sup>th</sup> March, set the framework for an immediate response, in which EIF plays a critical role.

As part of the immediate measures, EUR **1bn** within the **European Fund for Strategic Investments (EFSI)** will be used to increase **existing guarantee facilities managed by EIF**:

- **InnovFin SME Guarantee** and
- **COSME Loan Guarantee Facility**

In addition to the extra funds that will be made available to financial intermediaries under these guarantee facilities, EIF and EC are working intensively on a modification of the terms & conditions thereunder to better respond to extraordinary circumstances. In this context, EIF is taking into account feedback it receives from stakeholders and market participants.

For instance, EIF and EC are taking the necessary steps to

- prioritise new working capital finance,
- increase the guarantee rate for newly originated working capital loans,
- provide for more flexible use of the guarantee for revolving credit transactions.

For portfolios already benefitting from InnovFin or COSME guarantee coverage, we are taking the necessary steps to allow for rescheduling, postponement or credit holidays of underlying financing by the financial intermediaries.

The respective measures will be available in the form of guarantees and counter-guarantees for existing and/or new financial intermediaries. EIF is fully committed to simplifying access to these measures by reducing the administrative processes to the minimum possible.

Existing financial intermediaries who have entered into an agreement with EIF under at least one of the above-mentioned facilities would be able to benefit from a fast track process resulting in significant acceleration of the time to market.

It is expected that EIF will be able to roll out these measures shortly, with exact terms & conditions and the application process to be announced on the EIF website.