Corona Matching Facility (CMF)
The aim of the CMF is to provide German startups with needed liquidity as quickly and efficiently as possible in order to bridge liquidity problems caused by the coronavirus crisis. Financing rounds by companies of accredited private VC fund managers (GPs) are matched by public CMF capital. GPs can choose to match financing rounds of either i) existing portfolio companies or ii) both existing portfolio companies and new initial investments.

Co-investment and trust framework agreement (CTFA)
The accredited GP acts as fiduciary of federal funds under a co-investment and trust framework agreement (CTFA) between the GP and KfW Capital / EIF (“CMF Institutions”).

Criteria for CMF eligibility
Investing schemes are either current VC funds or newly established SPVs. To qualify for CMF, an eligible GP must meet the following criteria:

- European VC fund manager
- Independent VC fund manager (no CVC)
- Successful check by KfW Capital / EIF

Eligible investing schemes/funds
Successful fund KYC & governance check & standard market terms

Closed-end funds and fund currency according to KfW Capital / EIF portfolio guidelines

Private investors > 50% of fund volume and no single majority shareholder

Newly established SPVs:
- No other GPs / VC funds as investors
- State aid conformity

Eligible portfolio companies
Portfolio companies / new investments closely related to Germany

Financing round documentation incl. shareholder resolution

No financial or strategic majority investor

No financial difficulties as of 31 Dec. 2019

Duty to offer all relevant companies of accredited investing schemes to CMF (current and new investments)

VC Matching Process
The max. CMF share per financing round may not exceed 50%. Accredited GPs have to decide for each fund on a fixed share of CMF-funds over own funds for all eligible financing rounds – the matching ratio. The maximum selectable matching ratio is 70%. The contractually agreed matching ratio applies to all eligible financing rounds, as far as the max. CMF share of 50% and the max. 70% public money share per financing round are not exceeded. The contractually agreed matching ratio per fund for new investments may not be higher than that for (legacy) portfolio companies. Accredited GPs are obliged to utilize the CMF according to these rules in all eligible financing rounds until 31 December 2020.

Instruments
Flexible financing instrument
- … equity or quasi equity (e.g. convertible loan)
- GP as fiduciary
- … acts in its own name on behalf of KfW Capital / EIF

Exit / Repayment
- … GP determines type and time of the exit (exit, conversion, repayment)

Terms
Standardised CTFA, No fee, no carry
Application processing and signing of financing documents until 31 Dec. 2020

Retroactive inclusion of CMF funds from 02 April 2020 (if meeting pari-passu requirements)

Responsibilities of CMF institutions
GPs in the
- KfW portfolio: VC-matching@kfw.de
- EIF portfolio: German-CMF@eif.org
- KfW Capital & EIF portfolio: KfW Capital or EIF
- New GPs: KfW Capital or EIF

Please apply to one institution only.
KfW Capital and EIF reserve the right to transfer applications within institutions.

Application Process
1. GPs contacts the relevant CMF institution (see above)
2. CMF institution issues application form, FAQs and CTFA to GP
3. GP returns completed documents to the CMF institution
4. CMF institution conducts first eligibility screening
5. CMF institution requests further documents to conduct GP accreditation
6. GP and CMF Institution sign the standardised CTFA
7. GP concludes financing round agreements and submits capital calls to CMF institution

Disclaimer: This information on the Corona Matching Facility (CMF) was provided by KfW Capital GmbH & Co. KG and the EIF for information purposes only. The information is subject to possible changes, especially updates and additions, and does not constitute an offer or a request for accreditation for the CMF. Recipients of this information who intend to become accredited for the CMF and sign a CTFA should make their decision exclusively on the basis of the final CTFA to be created. The information in the CTFA may differ from the information contained herein. Therefore, neither the accuracy nor the completeness of the information contained herein should be relied upon. Please note in particular that interested parties must make their own legal and tax assessment.