

The BEITEN BURKHARDT coronavirus information centre with the most relevant legal answers:  
<https://www.beiten-burkhardt.com>

Contact details of our BEITEN BURKHARDT "Coronavirus Task Force" to support you in the crisis at the end of the e-mail.

## **Measures to prevent a liquidity crisis**

### **1. Summary of the KfW information for banks**

Companies can file applications for coronavirus aid with their main bank **or with any other bank which passes through KfW loans.**

KfW is currently adjusting its systems to the new programme conditions. That process will be completed by 14 April 2020 at the latest. Until then, there will be a transitional arrangement which enables short-terms applications for and payments of loans.

After a risk assessment has been carried out and the loan has been approved, KfW will give a binding commitment to the bank, so that the bank can immediately pay out the loan amount.

In order to accelerate the handling of the commitment procedure, KfW will accept the risk assessment of the financing partners for loan amounts of up to EUR 3 million and forego carrying out its own risk assessment.

For loan amounts between EUR 3 million and 10 million, KfW follows a procedure for accelerated risk assessments ("**fast track procedure**"), which will be adjusted to the increased amounts at short notice.

On the basis of the binding loan commitments, KfW will refinance the banks under the conditions applied for and committed to, as soon as the technical conditions therefor have been created, starting on 14 April 2020 at the latest.

### **2. Facilitations for commercial banks in cases of suspensions of repayments**

Each credit institution must continue to decide in accordance with the standards of banking diligence and under its own business responsibility whether to grant individual borrowers suspensions of repayments upon application.

If a credit institution approves an application for suspension, no value adjustments must be made for a maximum of two months. However, this only applies if the suspension is limited to the repayment and does not extend to the interest rates.

With this regulation, the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*, BaFin) intends to make it easier for credit institutions to decide whether

to grant temporary suspensions of repayments. The aim is to improve the liquidity situation of affected companies at least in the short term.

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Best regards,

Your BEITEN BURKHARDT Task Force Team

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