

# BEITEN BURKHARDT

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## **Measures to ward off a liquidity crisis: KfW instant loan for medium-sized enterprises**

KfW has launched a new special programme for enterprises: The instant loan (*Schnellkredit*) for medium-sized enterprises.

Medium-sized enterprises will soon be able to apply for the new KfW instant loan, intended for acquisitions (investments) and running costs (working capital). The loan will be fully hedged by a guarantee from the German Federal Government.

Provided that a medium-sized enterprise showed profits in 2019 or on average over the last three years, an instant loan with the following key points will be granted:

- The instant loan is available to medium-sized enterprises with more than 10 employees.
- The lending volume per company is up to 3 months of the annual turnover in 2019, with a maximum of EUR 800,000 for companies with more than 50 employees and a maximum of EUR 500,000 for companies with up to 50 employees.
- The company may not have experienced financial difficulties as of 31 December 2019 and is required to have a good financial standing at that point in time.
- The current interest rate is 3 per cent with a term of 10 years.
- The bank is fully released from liability by KfW, hedged by a guarantee from the German Federal Government.
- The credit approval process does not involve an additional credit risk assessment by the bank or KfW to ensure that loans can be granted quickly.

The KfW instant loan can launch as soon as it is approved by the EU Commission.

## **Your main contacts for any inquiries are:**

### **Finance, Restructuring & Insolvency Frankfurt:**

Heinrich Meyer - [Heinrich.Meyer@bblaw.com](mailto:Heinrich.Meyer@bblaw.com) Tel.: +49 69 756095-414

Dr. Christoph Schmitt - [Christoph.Schmitt@bblaw.com](mailto:Christoph.Schmitt@bblaw.com) Tel.: +49 69 7560 95-434

Sincerely,

Your BEITEN BURKHARDT Task Force Team

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