



Financial Aid Instruments for Business during the Covid-19 Crisis

National Development Agency UAB Investicijų ir Verslo Garantijos (Invega) has started to implement the Economic Stimulus and Coronavirus Mitigation Plan approved by the Government of Lithuania. Financial aid is to be provided through updated existing instruments and newly developed ones. **Which aid instruments are suitable for your business?**

- Reduction in turnover
- There is a need for a new loan
- Costs of financing are too high

Avail a risk-sharing loan instrument under which 45% of the loan (or credit line) may be borrowed at 0% annual interest rate. This instrument is designed to support small and medium-sized enterprises through financial institutions.

- Dramatic reduction in turnover
- Need for a loan for essential expenses

Borrow up to EUR 100,000 to finance company's essential expenses at 0,1% (for loans up to 12 months) or 0,19% (for loans up to 36 months) fixed annual interest rate. This instrument is designed to support most affected small and medium-sized enterprises through financial institutions.

- Restructuring of a current financing
- There is a need for a new loan
- Company lacks collateral

Invega may guarantee up to 80% of the loan amount by issuing (i) individual guarantees for loans, issued, *inter alia*, for investments into fixed assets or working capital; and (ii) portfolio guarantees for leasing, factoring, restructured loan and new loan transactions. These instruments are designed to support small and medium-sized as well as large enterprises through financial institutions.

- Customers fail to pay invoices
- Company experiences difficulties

Apply for a soft loan being of amount up to 85% of the amount of all invoices the company issued prior to the announcement of the quarantine in Lithuania which have not been paid by the purchasers of services or goods because of their difficulties experienced due to the

Covid-19 outbreak. This instrument which is called "ASAP" is designed to support small and medium-sized enterprises and is implemented directly by Invega.

- There is a need for a new loan
- Financial institutions do not borrow

Borrow via crowdfunding platforms. Invega may contribute to the loan by up to EUR 50,000 and, therefore, loan issuing process will be much faster. By borrowing under this instrument which is called "Avietė" (in English: Raspberry), the company will also be able to apply to Invega for partial (up to 95%) compensation of the interest. This instrument is designed to support small and medium-sized enterprises.

- Having approved credit holidays
- It is still difficult to pay interest

Small and medium-sized enterprises that are in difficulty as a result of Covid-19 pandemic may apply to Invega for interest compensation for deferred loans. If the financial institution approved loan or finance lease holidays, Invega may reimburse 100% of the relevant interest paid.

- Need financing to ensure liquidity
- Not possible to raise funds in other ways

It is anticipated that the Lithuanian Business Support Fund, which currently is in the process of establishment by the Government of Lithuania, will directly provide financial assistance to hard-pressed large businesses by way of investing in companies' shares or debt securities as well as serving as a lender of last resort. The Government of Lithuania has allocated EUR 100 million for the creation of the Fund.

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! IMPORTANT: Additional requirements apply to companies that are seeking to apply under financial aid instruments above. **We, lawyers at WALLESS, would be delighted to advise you on such specific requirements and answer all other questions you might have.**