



15 April 2020

Overview of COVID-19 business supports for SMEs

Irish state bodies have introduced a range of measures to assist Irish SMEs facing financial difficulties as a result of a downturn in business due to COVID-19.

On 8 April 2020, Minister for Business Heather Humphreys announced further measures, bringing to €1b the total amount of liquidity measures being made available for small- and medium-sized Irish businesses.

In this document we summarise the measures which are currently available. Details may change as the support packages are further developed and the current situation evolves.

This PDF contains the key detail on:

- **SBCI Covid-19 Working Capital Loan Scheme**
- **SBCI Future Growth Loan Scheme**
- **Business Continuity Voucher**
- **Microfinance Ireland Loans**
- **Trading Online Voucher Scheme**
- **COVID-19 Retail Online Scheme**
- **Sustaining Enterprise Fund**
- **Business Financial Planning Grant**
- **LEAN Business Improvement Grant**
- **SME Credit Guarantee Scheme**

SBCI COVID-19 Working Capital Loan Scheme

The €450m SBCI Working Capital Scheme is a government-bank scheme aimed at helping businesses whose liquidity has been impacted by COVID-19.

Funding under this scheme is provided via the SBCI's on-lending partners: Bank of Ireland, AIB and Ulster Bank. Businesses must first apply to the SBCI to ensure eligibility before they begin the credit application process with the partner banks.

Eligibility:

- Businesses established and operating in the Republic of Ireland with a reduction of 15% in turnover/profitability due to COVID-19
- SMEs with fewer than 250 employees, turnover of €50m or less (or €43m or less on their balance sheet) or small mid-caps with fewer than 500 employees
- Must satisfy one of 11 innovation criteria. Full details on innovation criteria can be found on the [SBCI website](#)

Main features:

- Loans from €25k to €1.5m
- Interest rate capped at 4%
- Loan terms of one to three years

- Loans unsecured up to €500k
- Optional interest-only repayments may be available at the start of the loans
- The loan amount and term is dependent on the loan purpose
- Loans to be used for working capital requirements
- Loans cannot be used for refinancing existing debt

SBCI Future Growth Loan Scheme

The €500m SBCI Future Growth Loan Scheme is available to eligible businesses in Ireland and the primary agriculture (farmers) and seafood sectors to support strategic long-term investment.

Funding under this scheme is provided via the SBCI's on-lending partners: AIB, Bank of Ireland, Ulster Bank and KBC. Applicants for loans greater than €250k will need to submit a business plan to the partner financial institution.

Eligibility:

- SMEs established and operating in the Republic of Ireland with fewer than 250 employees, turnover of €50m or less (or €43m or less on their balance sheet) or small mid-caps with fewer than 500 employees
- Loans to be used for long-term investment. See [SBCI website](#) for full criteria

Main features:

- Loans from €100k to €3m
- Interest rate capped at 4.5% for loans under €250,000 and 3.5% for loans of €250,000 and over
- Loan terms from eight to ten years
- Loans unsecured up to €500k
- Optional interest-only repayments available in certain circumstances

Business Continuity Voucher

The new Business Continuity Voucher, available through Local Enterprise Offices, is designed for businesses across every sector that employ up to 50 people.

The voucher is worth up to €2,500 in third-party consultancy costs and can be used by companies and sole traders to develop short-term and long-term strategies to respond to the COVID-19 pandemic.

The goal is to help companies access qualified experts to help them make informed decisions about what immediate measures and remedial actions should be taken to protect staff and sales. The application form can be downloaded from localenterprise.ie.

Microfinance Ireland Loans

Microfinance Ireland is a government initiative to support small businesses through the current period of uncertainty and protect job creation or sustainment in Ireland. They have a total loan fund of €20m available for businesses having difficulty in accessing finance from commercial lending providers. Applications can be made through Local Enterprise Offices. Full details can be found on the MFI website.

Eligibility:

- Any business with fewer than 10 full-time employees and annual turnover of up to €2m
- Not in a position to avail of finance from banks and other commercial lending providers
- 15% of actual or projected turnover or profit is negatively impacted by COVID-19

Main features:

- Loans from €5k to €50k
- Loan terms typically up to three years
- First six months: 0% interest and zero repayments
- Reduced interest rate of 4.5% APR for LEO applications and 5.5% APR for direct applications
- No fees or hidden charges
- Fixed repayments and no penalty for early repayment

Trading Online Voucher Scheme

This scheme is designed to help small businesses with up to 10 employees to quickly establish a retail presence online, boost sales and reach new markets. There is up to €2,500

available through Local Enterprise Offices with co-funding of 10% from the business.

Businesses that have already received a Trading Online Voucher can now apply for a second voucher, where upgrades are required. Full details can be found on localenterprise.ie.

Eligibility:

- Businesses of 10 employees or fewer with annual turnover of less than €2m
- Applicants must be trading for at least six months and be located in the region of the Local Enterprise Office to whom they are applying

COVID-19 Retail Online Scheme

The purpose of the new €2m COVID-19 Retail Online Scheme is to enable Irish-owned retailers to enhance their digital capability and to develop a more competitive online offer that will help them increase in their customer base and build a more resilient business in the domestic and global marketplace both online and offline. The scheme is available through Enterprise Ireland.

Successful applicants will be awarded funding to support a maximum of 80% of eligible project costs. Grants ranging from €10k to €40k will be awarded under the competitive scheme. Full details can be found on enterprise-ireland.com.

Eligibility:

The scheme is available to Irish-owned retail enterprises that employ at least 10 people in the Republic of Ireland (on a full-time equivalent basis on or before 29 February 2020) with:

- An existing online presence (e.g. website or social media)
- The potential to sustain or create jobs and generate growth in online transactions with an ambition to internationalise their business in future
- Retail outlet(s) from which they derive the majority of their revenue

Sustaining Enterprise Fund

Enterprise Ireland has a new €180m fund to provide manufacturing and internationally traded services companies with capital to help stabilise and rebuild their businesses.

The purpose of the fund is to sustain companies who have been impacted by a 15% or greater reduction in actual or projected turnover or profit, and/or have a significant increase in costs as a result of the COVID-19 crisis.

Eligibility:

- Businesses that employ 10 or more full-time employees
- Operating in the manufacturing and internationally traded services sectors
- Companies must have applied for and have been unable to raise sufficient funding from the market, a financial institution or, where appropriate, the SBCI COVID-19 Working Capital Loan Scheme

Main features:

- Funding of up to €800,000 available in the form of repayable advances or equity investment
- Annual administration fee of 4%
- Funding to be repaid subject to the project objectives being achieved. There is a three-year grace period with repayment by the end of year five, on successful achievement of the project objective

The company will need to submit a business sustainment plan outlining the eventual stabilisation of the business and a return to viability.

Business Financial Planning Grant

The Business Financial Planning Grant is designed to help companies to develop a robust financial plan, including the preparation of documentation required to support applications for external finance from banks and/or other finance providers.

The €5k grant, administered by Enterprise Ireland, will enable companies to access external support from approved financial consultants to prepare a financial plan to secure the company in the short to medium term. For further information, contact the COVID-19 Business Response Unit at businessresponse@enterprise-ireland.com.

LEAN Business Improvement Grant

A new €2,500 LEAN Business Improvement Grant is available to help companies access external advisor/trainer expertise to help develop management capability and drive company efficiencies and business process improvements over the short to medium term. The grant is being administered by Enterprise Ireland and IDA Ireland. More details are available on enterprise-ireland.com.

The above is purely for information purposes. Detail from multiple sources and subject to change. May contain errors or omissions.

SME Credit Guarantee Scheme

The purpose of the scheme is to encourage additional lending to SMEs by offering a partial government guarantee (currently 80%) to banks against losses. The scheme is targeted towards companies who are unable to access credit because of:

- Having inadequate collateral
- Operating in a novel business market, sector or technology which is perceived by lenders as higher risk under current credit risk evaluation practices
- A need for refinancing caused by the exit of an SMEs lender from the Irish market

Key features of the scheme include:

- Loans from €10k up to €1m
- Loan terms of up to seven years
- Terms loans, demand loans and performance bonds
- Optional three to six-month interest-only repayments

The interest rate charged on the loan will be the bank's current SME lending rates. In addition, the borrower pays a premium which partially covers the cost of providing the guarantee. As of 14 July 2019, this premium has been reduced from the current rate of 1% down to 0.5% for a period of 12 months.

How we can help

If you are looking to engage with your existing funder or a new lender about raising additional funding for your business, contact a member of our [corporate finance team](#) to find out how we can help. We have a well-established track record of helping SMEs secure funding lines and have developed strong and long-lasting relationships with all major lending institutions. We can guide you through the process to help ensure a positive outcome.

About us

Established in 1941, Crowe is a leading accountancy and business advisory firm in Ireland. Throughout our 75-year history, we have developed an unrivalled understanding of the Irish business environment and built a national reputation in auditing, tax and business consultancy.

We work with a variety of clients across commercial and public sectors. Our services include Audit & Assurance, Tax, Corporate Insolvency & Recovery, Corporate Finance, Consultancy, and Outsourcing.

We are also independent members of the eighth-largest accountancy network in the world, with colleagues in over 750 offices across 130 countries. Through this global reach we are able to offer clients a seamless service when trading internationally.

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Contact

Crowe
Marine House
Clanwilliam Place
Dublin 2
Tel: +353 1 448 2200
www.crowe.ie