

Summary of Government Financial Support Spain

April 2022



Financing Facility Support

What Help Is Available?	What Does the Help Entail?	Which Companies Are Eligible?	What Is the Criteria (If Any) for Applying?	How to Apply	Availability?
<p>ICO Guarantee Facility Schemes</p> <p>An indepth FAQ page can be accessed here</p> <p>Royal Law-Decree 8/2020 of urgent and extraordinary measures to deal with the economic and social impact of COVID-19, approving the first ICO Guarantee Facility scheme (Art. 29) can be found here</p> <p>Royal Law-Decree 25/2020 of urgent measures to support economic recovery and employment, approving the second ICO Guarantee Facility scheme (Art. 1) can be found here</p> <p>Resolution of the Spanish Cabinet of Minister that activates and contains the terms and conditions of the ICO Guarantee Facility Scheme can be found here</p>	<ul style="list-style-type: none"> The government is providing financial institutions (as lending entities) with a guarantee of: <ul style="list-style-type: none"> Up to a maximum amount of €72.5 billion, 80% of new loans or credit facilities, as well as renewals of pre-existing agreements of financing transactions to self-employed workers or SMEs (companies with up to 250 employees and less than €50 million of annual turnover or less than €43 million of annual balance sheet total) Up to a maximum amount of €28 billion, 70% of the new loan or credit facility and 60% of amounts being extended by renewals of pre-existing financing agreements to larger companies Up to a maximum amount of €4 billion for the issuance of promissory notes incorporated into the Alternative Fixed Income Market (MARF). Up to a maximum amount of €2.5 billion for SMEs and self-employed workers in the tourism sector and related activities. € 500 million granted to companies and self-employed workers for the purchase or lease of motor road transport vehicles for professional use (leasing). € 500 million granted to the Spanish state-owned company Compañía Española de Reafianzamiento, SME Sociedad Anónima (CERSA). The financial institutions participating in the schemes undertake to maintain the costs of new loans and renewals in line with the costs applied before the start of the COVID-19 crisis. 	<ul style="list-style-type: none"> Self-employed, SMEs and any other size of company. 	<ul style="list-style-type: none"> Applicant must be a company based in Spain or self-employed based in Spain that is affected by the economic effects of COVID-19. Applicant must not be in default of its payment obligations as of 31 December 2019. Applicant must not be under insolvency proceedings as of 17 March 2020. Applicant issuing promissory notes that would benefit from the guarantee must fulfil the following additional conditions: <ul style="list-style-type: none"> The applicant has to be a non-financial entity. The issuance of promissory notes must be published between 6 May 2020 and 30 September 2020. The issuance programme must have been incorporated into the MARF by 23 April 2020. 	<ul style="list-style-type: none"> The interested person or company must address an application to the Spanish financing entities with which the ICO has signed the relevant cooperation agreement. 	<ul style="list-style-type: none"> Those interested in applying for the ICO guarantee may submit their applications up to 1 June 2022.

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	<ul style="list-style-type: none"> The financial institutions undertake to maintain the availability of any credit facilities granted to their clients until 30 September 2020. The schemes are designed to boost lenders' confidence in providing finance amid the COVID-19 pandemic. The Guarantee Facility Schemes are approved by the government up to a maximum amount of €144 billion. The facility is managed by the Spanish Official Credit Institute (ICO), in cooperation with the Spanish financing entities. The guarantee to be issued will have a duration equal to the term of the loan or credit facility being granted or renewed, with a maximum term of eight years for loans of up to €1.8 million, and 10 years for loans of more than €1.8 million of principal amount. The cost of issuing the guarantee shall be between 20 and 120 basis points and shall be borne by the financing entities. The borrower and the lender of the loans supported by the ICO Guarantee Facility Scheme may agree the following additional measures: <ul style="list-style-type: none"> Convert the principal amount of the loans guaranteed by ICO, in equity or participating loans Apply reductions on the principal amount of the loans guaranteed by ICO, which will be distributed proportionally between the principal amount guaranteed by ICO and the non-guaranteed principal amount. 				
ICO Guarantee Facility Scheme for Tourism Business Royal Law-Decree 7/2020 on Urgent Measure to cope with the impact of COVID-19,	<ul style="list-style-type: none"> The government is providing financial institutions (as lending entities) with a guarantee of 50% of new loans to self-employed workers or companies dedicated to the tourism economic sector (including hotels). 	<ul style="list-style-type: none"> Self-employed, SMEs (companies with up to 250 employees and less than €50 million of annual turnover or less than €43 million of annual balance sheet total) and any other size of company dedicated 	<ul style="list-style-type: none"> Applicant must be based in Spain. Applicant must not be in default of its payment obligations. Applicant must not be under insolvency proceedings. 	<ul style="list-style-type: none"> The interested person or company must address an application to the Spanish financing entities with which the ICO has signed the relevant cooperation agreement. 	<ul style="list-style-type: none"> The ICO Guarantee Facility Scheme for Tourism Business is available currently. Those interested in applying for the ICO guarantee may submit their

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<p>approving the ICO Guarantee Facility Scheme for Tourism Business (Art. 12) can be found here</p> <p>A summary of the terms and conditions of the ICO Guarantee Facility Scheme for Tourism Business and a full list of participating lending entities can be found here</p>	<ul style="list-style-type: none"> The purpose of the loan to be granted must be to meet the liquidity financial needs and digitalisation process. The maximum amount of each guarantee provided through the ICO Guarantee Facility Scheme for Tourism Business is €500,000 per applicant. The loans to be granted must have a fixed interest rate of 1.5%. The loans to be granted must have a repayment period of up to four years maximum with a one-year grace period. The Spanish Official Credit Institute (ICO), in cooperation with the Spanish financing entities, manages the facility. 	<p>to the tourism economic sector.</p>	<ul style="list-style-type: none"> If the applicant is a large company, its credit rating cannot be below B. 		<p>applications up to 1 June 2022.</p>
<p>Temporary Public Support for Strategic Companies</p> <p>Royal Law Decree 25/2020 made on 3 July concerning urgent measures for supporting the economic recovery and employment set up the Fund for Supporting the Solvency of Strategic Companies, (Art. 2). Further details can be found here.</p> <p>Order PCM/679/2020, of 23 July, establishing the operational procedures of the Fund to support the solvency of strategic companies, can be found here.</p>	<ul style="list-style-type: none"> The government has created a fund entity (the "Fund") managed by <i>Sociedad Estatal de Participaciones Industriales</i> (SEPI), initially allocated €10 billion, and it provides financial support through any equity and/or hybrid equity facilities. The purpose of the Fund is to provide temporary state support in order to reinforce the corporate solvency of non-financial companies affected by the COVID-19 pandemic, which are regarded as strategic for the Spanish or regional economic structure. The temporary public support facilities granted by the Fund to strengthen corporate solvency, may take the form of any equity and/or hybrid equity facilities (i.e. granting of equity loans, convertible debt, the subscription of shares or equity participations or any other equity instrument). The amounts of the facilities provided by the Fund shall be not less than €25 million per beneficiary, save in duly justified exceptional cases. The maximum amount of temporary public support operations shall be the minimum necessary to restore the viability of the 	<ul style="list-style-type: none"> Companies regarded as strategic for the Spanish or regional economic structure, due to their sensitive social and economic impact, their importance for security, the health of the population, the infrastructures, the communications, or for their role in the adequate operation of the markets, among other reasons. 	<ul style="list-style-type: none"> Applicant must be a company based in Spain or a self-employed based in Spain that is affected by the economic effects of COVID-19. Applicant must not be in default of its payment obligations as of 31 December 2019. Applicant must not be under insolvency proceedings. Provide evidence that in the absence of temporary public support from the Fund, the beneficiary would cease its activity or would face serious difficulties to remain in operation. Provide evidence that the forced activity cessation would have a high negative impact on economic activity or employment, at national or regional level. Provide evidence of their medium-term and long-term viability by submitting a 	<ul style="list-style-type: none"> The interested company must address an application to <i>Sociedad Estatal de Participaciones Industriales</i> (SEPI). The deadline for taking a decision about the approval will be six months after the company submits its request. 	<ul style="list-style-type: none"> Available now.

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	company and may not entail an equity increase of the beneficiary company in excess of that recorded as at 31 December 2019.		<p>business plan for dealing with their crisis situation.</p> <ul style="list-style-type: none"> • Submit a repayment forecast of state support with a repayment schedule of the nominal state investment and remuneration payments and the measures that would be taken to fulfil with the state support repayment plan. • Not have been declared by a definitive judgement as liable of early termination of an agreement entered into with the Administration. • Not have been declared by a final judgement as ineligible to receive public support of financial subsidies. 		
<p>Temporary Public Support for Strategic Companies</p> <p>Royal Decree-Law 5/2021, made on 12 March 2021, on extraordinary measures to support business solvency in response to the COVID-19 pandemic, (Art. 17). Further details can be found here.</p> <p>Resolution of 15 June 2021, of the Secretary of State for Commerce, publishing the Agreement of the Council of Ministers of 12 June 2021, establishing the operation of the Fund for</p>	<ul style="list-style-type: none"> • The government has created a fund entity, named <i>FONREC</i> (the "Fund") managed by <i>Compañía Española De Financiación Del Desarrollo, S.A., S.M.E., (Cofides)</i> initially allocated €1,000 million, and it provides financial support through any equity and/or hybrid equity facilities. • The purpose of the Fund is to provide temporary public support under criteria of yield, risk and impact on sustainable development, to strengthen the solvency of companies based in Spain. • The Fund will provide such support exclusively in the form of debt, equity and hybrid equity instruments, or a combination thereof, to non-financial companies, which have previously requested it and which are experiencing temporary difficulties as a result of the COVID-19 pandemic. • The amounts of the facilities provided by the Fund shall be between €2.5 million and €25 million per beneficiary. 	<ul style="list-style-type: none"> • SMEs and any other size of non financial companies based in Spain. 	<ul style="list-style-type: none"> • Applicant must be a non financial company based in Spain that is affected by the economic effects of COVID-19 and meets the following requirements: <ul style="list-style-type: none"> – Applicant must not be in default of its tax and administrative payment obligations. – Applicant must not be under insolvency proceedings. – The net turnover of the company shall be between €10 million and €400 million. – Provide evidence of their medium-term and long-term viability by submitting a business plan for dealing with their crisis situation. 	<ul style="list-style-type: none"> • The interested company must address an application to <i>Compañía Española De Financiación Del Desarrollo, S.A., S.M.E., (Cofides)</i>. • Those interested in applying for the this support may submit their applications up to 30 June 2022. 	<ul style="list-style-type: none"> • Available now.

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<p>the recapitalisation of companies affected by COVID-19, F.C.P.J., can be found here.</p> <p>Resolution of 13 December 2021, of the Secretary of State for Trade, publishing the Agreement of the Council of Ministers of 7 December 2021, amending the Agreement of 15 June 2021, establishing the operation of the Fund for the recapitalisation of companies affected by COVID-19, F.C.P.J., can be found here.</p>			<ul style="list-style-type: none"> – Provide evidence that in the absence of temporary public support from the Fund, the beneficiary would cease its activity or would face serious difficulties to remain in operation. – Equity impairment in comparison with net financial debt. – Submit a repayment forecast of state support with a repayment schedule and the measures that would be taken to fulfil with the state support repayment plan. – Not have been declared by a definitive judgement as liable of early termination of an agreement entered into with the Spanish Authorities. – Not have been declared by a final judgement as ineligible to receive public support of financial subsidies. 		

Other Financial Support

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<p>CESCE Credit Insurance Coverage Scheme</p> <p>Royal Law-Decree 8/2020 of urgent and extraordinary measures to deal with the economic and social impact of COVID-19, approving the Extraordinary scheme of Insurance Coverage (Art.31) can be found here.</p> <p>The information, phone number and a summary of the details of the EIC, can be found here</p>	<ul style="list-style-type: none"> The government has created a credit insurance coverage scheme to boost export contracts of up to €2 billion for a period of six months. The credit insurance coverage is provided by Spanish ECA "Compañía Española de Seguros de Crédito a la Exportación, S.A. Cía. de Seguros y Reaseguros" (CESCE). The percentage of credit risk insured shall not exceed 80%. 	<ul style="list-style-type: none"> Spanish SMEs: <ul style="list-style-type: none"> Up to 250 employees Up to €50 million of annual turnover, and/or up to €43 million of annual balance sheet total Internationalised companies on which international business represents at least one-third of their turnover. 	<ul style="list-style-type: none"> The credit insurance scheme covers credit insurance risk of working capital facilities for exporting companies and internationalised businesses. Applicants must not be in default of its payment obligations or in insolvency as of 31 December 2019. 	<ul style="list-style-type: none"> The applicant must address its application to CESCE. 	<ul style="list-style-type: none"> Available now.

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Local Connections
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