



# Baden-Württemberg

MINISTRY OF ECONOMIC AFFAIRS, LABOUR AND HOUSING

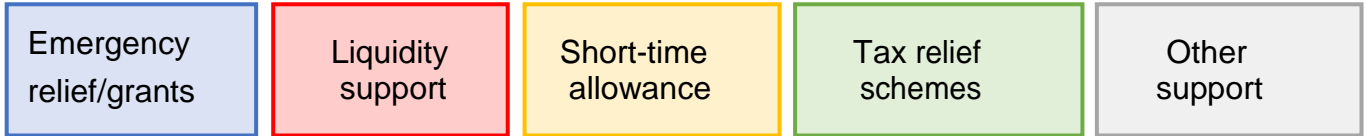
 Information for companies in Baden-Württemberg (as on 4 June 2020)

## 1. List of important contacts

Issue	Contact	Contact details
General questions about the coronavirus	Public Health Office Baden-Württemberg	 0711 904-39555 <i>Monday - Sunday: 9.00am - 6.00pm</i>
Questions about coronavirus regulations & financing	Ministry for Economics, Labour and Housing	 0800 40 200 88 (toll-free) <i>Monday - Friday: 9.00am - 6.00pm</i>
Questions about coronavirus regulations (business closures, etc.)	Ministry for Economics, Labour and Housing	 <a href="mailto:coronaverordnung@wm.bwl.de">coronaverordnung@wm.bwl.de</a>
Questions about corporate financing	Ministry for Economics, Labour and Housing	 <a href="mailto:finanzierungen@wm.bwl.de">finanzierungen@wm.bwl.de</a>
General business-related questions about coronavirus	Federal Ministry for Economic Affairs and Energy	 030 18615-1515 <i>Monday - Friday: 9.00am - 5.00pm</i>
Guarantees of up to 2.5 million Euros	Bürgschaftsbank Baden-Württemberg GmbH	 0711 1645-6  <a href="mailto:ermoeglicher@buergschaftsbank.de">ermoeglicher@buergschaftsbank.de</a>
Guarantees of between 2.5 and 20.0 million Euros	L-Bank (guarantees and direct loans)	 0711 122-2999 <i>Monday - Thursday: 8.30am - 4.30pm, Friday: 8.30am - 4.00pm</i>  <a href="mailto:buergschaften@l-bank.de">buergschaften@l-bank.de</a>
Operating resources, liquidity & bridge financing	L-Bank (promotion of trade)	 0711 122-2345  <a href="mailto:wirtschaftsfoerderung@l-bank.de">wirtschaftsfoerderung@l-bank.de</a>
KfW Corona Aid	KfW service inquiries	 0800 539 9000 <i>Monday - Friday: 8.00am - 6.00pm</i>
Export credits guarantees	Federal mandataries from Euler Hermes AG	 040 8834 9000  <a href="mailto:info@exportkreditgarantien.de">info@exportkreditgarantien.de</a>
Support for re-establishing secure international supply chains	Contact office for securing supply chains	 <a href="mailto:kontaktstelle-lieferketten@stutt-gart.ihk.de">kontaktstelle-lieferketten@stutt-gart.ihk.de</a>  <a href="mailto:Kontaktstelle-Lieferketten@wm.bwl.de">Kontaktstelle-Lieferketten@wm.bwl.de</a>
Information about short-time working benefits for employers	Federal Labour Office	 0800 4 555520 <i>Mon – Fri: 8.00 - 18.00 Uhr</i>
Basic income during the coronavirus pandemic	Federal Labour Office	 0800 4 555523

## 2. Concrete support for affected businesses in Baden-Württemberg

Note: Please refer to <https://wm.baden-wuerttemberg.de/de/wirtschaft/informationen-zu-den-aus-wirkungen-des-coronavirus/> for more detailed and continually updated information tailored to the needs of businesses and employees in Baden-Württemberg.



### Corona Emergency Relief

On 25 March 2020, the Ministry for Economics, Labour and Housing of Baden-Württemberg launched an emergency relief programme to support self-employed individuals, companies with up to 50 employees and independent professionals by providing them with one-off non-refundable subsidies. This emergency relief, which amounted to more than 2 billion Euros, helped just under 240,000 companies secure the continued existence of their businesses and bridge acute corona-related liquidity shortages. Applications for emergency relief could be filed up until May 31, 2020.

However, the enormity of the economic impact of the pandemic has meant that the current revenues of many businesses are still under their running costs. This means that the issue of liquidity remains acute. The state of Baden-Württemberg has therefore continued to work flat-out to ensure that the appropriate resources will be available to financially support small and medium-sized businesses and self-employed individuals across all sectors who have been hit particularly hard by the pandemic.

A successor programme to the emergency relief fund is also being launched as quickly as possible. The details are currently being discussed with the German Federal Government. The Ministry for Economics, Labour and Housing of Baden-Württemberg is committed to ensuring that appropriate solutions for affected companies will be found as quickly as possible and that the planned relief programme will align with its own support measures.

Of course, all applications for emergency relief which were filed within the permitted time and in the prescribed form will be processed quickly and in accordance with standard procedures.

 For more information: <https://wm.baden-wuerttemberg.de/soforthilfe-corona>

## Liquidity Support Funding

A number of established funding instruments as well as corona relief funds from the government-owned development bank, the Kreditanstalt für Wiederaufbau (KfW), are available to commercial businesses and professional companies in Baden-Württemberg to help them bridge liquidity shortages.

Important note: In general, the principle of working with your main bank (**Hausbankenverfahren**) applies. This means that businesses should not file their grant application with the funding institute but should submit their application directly to their main bank.

The company's main bank will know the company and will therefore be able to quickly check the application and pass it on to the respective funding institution. The lending decision is taken by the company's main bank.

### Subsidised loans from L-Bank

#### Liquidity Loan Plus and Liquidity Loans

Liquidity loans are available to small and medium-sized commercial businesses and self-employed professionals (usually with a maximum of 500 employees) to cover their liquidity needs; the duration of the loan ranges from four to ten years and standard loans of up to 5 million Euros are available. Companies have the following options:

- Liquidity Loan Plus (newly available from 1st June 2020) is a low-interest loan with a repayment bonus amounting currently to 10 percent of the loan amount but not exceeding 300,000 Euros as well as optional corona relief guarantees from Bürgschaftsbank Baden-Württemberg or L-Bank of up to 90 percent of the default risk.
- A standard-type liquidity loan which takes the form of a low-interest loan with optional individual guarantees or combined guarantees ("Kombi-Bürgschaften 50") from Bürgschaftsbank Baden-Württemberg or L-Bank.

 For more information: [www.l-bank.de/liquiditaet](http://www.l-bank.de/liquiditaet)

#### Start-up Financing / Growth Financing


Working capital funds which are made available as part of start-up or growth financing can also be used as an alternative to applying for a liquidity loan; however, these have a standard credit period of 5 years with no option of early repayment without incurring additional charges.

 For more information: [www.l-bank.de/gf](http://www.l-bank.de/gf) and [www.l-bank.de/wf](http://www.l-bank.de/wf)

#### Further Training Financing 4.0


Funding is available to companies which sign up their employees for additional training and qualifications to avoid placing them on short-time working hours or set up development/

training courses for their employees to help them adjust to new operating or digitisation processes. Further Training Financing 4.0 provides low-interest financing for such projects, with three- to five-year loans available in the form of lump sums (usually 20,000 Euros per employee signed up for further training).

 For more information: [www.l-bank.de/wbf](http://www.l-bank.de/wbf)

### Innovation Financing 4.0

Small and medium-sized enterprises and larger medium-sized businesses can choose from the four funding modules 'Innovative Projects', 'Digitisation Projects', 'Innovative Business Models' and 'Innovative Companies' of Innovation Financing 4.0. The amount of the loan can range from 10,000 to 5 million Euros and even up to 25 million Euros for larger businesses.

 For more information: [www.l-bank.de/inno](http://www.l-bank.de/inno)


Important note: All funding loans from L-Bank can be supplemented by combined guarantees from the Bürgschaftsbank.

For existing funding loans for companies which are temporarily unable to meet their repayment charges because of the corona crisis, L-Bank offers a **suspension of repayment charges** for up to 12 months with adjustment of the remaining repayment rates while keeping the contractually agreed interest rate and the overall term of the loan unchanged. Applications to suspend repayment charges can be sent immediately and informally to L-Bank.

### **Guarantees from Bürgschaftsbank Baden-Württemberg and L-Bank**

If a company's main bank is unable to provide an affected company with a bridging loan because of insufficient collateral, depending on the amount of the guarantee, either Bürgschaftsbank or L-Bank may provide a guarantee for up to 90 percent of the risk.

- Bürgschaftsbank Baden-Württemberg provides guarantees for **up to 2.5 million Euros**.
- L-Bank is responsible for guarantees **over 2.5 million Euros up to a maximum of 20 million Euros**. Individual guarantees are available in addition to standard combined programmes.
- Guarantees backed by the State of Baden-Württemberg, i.e. guarantees amounting to **more than 20 million Euros**, are handled by L-Bank.

 Informationen: <https://www.buergschaftsbank.de/hilfspaket-corona-krise> und [www.l-bank.de/corona](http://www.l-bank.de/corona)


## **KfW Corona Aid**

### KfW Instant Loans 2020

From 15th April 2020, medium-sized companies with more than 10 employees can apply for the new KfW Instant Loans to fund purchases (investments) and running costs (operating materials). (Companies with up to 50 employees can receive a maximum of 500,000 Euros, companies with more than 50 employees a maximum of 800,000 Euros). The loan is secured 100 percent by a guarantee backed by the German Federal Government.

### KfW Special Programme 2020

KfW has launched a special programme to back the ERP Start-Up Loan–Universal and the KfW Entrepreneur Loan (loans of up to 1 billion Euros). Loans to small or medium-sized enterprises (SMEs) by their main banks are backed by a 90 percent release of liability if the enterprise has existed for 3 years. For loans to larger companies, an 80 percent release of liability can be arranged.


 For more information on KfW Instant Loans 2020 and the KfW Special Programme 2020: <https://www.kfw.de/inlandsfoerderung/Unternehmen/KfW-Corona-Hilfe/>

## **Stabilisation Measures**

### Investment Fund of the State of Baden-Württemberg

On May 12, 2020, the government of the federal state of Baden-Württemberg agreed on a concept for an investment fund backed by the state of Baden-Württemberg. The aim of the investment fund is to strengthen the equity capital of small and medium-sized enterprises by improving their creditworthiness, making sure that they remain solvent in the immediate future, and ensuring that they can continue to exist beyond the end of the current crisis. To do this, the state of Baden-Württemberg will provide companies with equity capital for a limited period or use equity-type financial instruments to complement other programmes. To distinguish this fund from the economic stabilisation fund of the German Federal Government which is targeted to the needs of larger companies, the investment fund of Baden-Württemberg is specifically aimed at companies located in Baden-Württemberg which had more than 50 and fewer than 250 employees in the last financial year prior to 1st January 2020, an annual turnover of not more than 50 million Euros or a balance sheet total of not more than 43 million Euros and which are particularly important for the economy of Baden-Württemberg.


Because of the required legal framework, setting up the fund will take some time.

 For more Information: <https://wm.baden-wuerttemberg.de/de/service/presse-und-oeffentlichkeitsarbeit/pressemitteilung/pid/landesregierung-bringt-baden-wuerttembergischen-beteiligungsfonds-fuer-den-mittelstand-auf-den-weg/>

### Economic Stabilisation Fund of the German Federal Government

The economic stabilisation fund is intended to stabilise real-economy companies if their threatened demise would have a significant impact on Germany as an industrial location or on the German labour market. The fund aims to eliminate liquidity shortages, support refinancing on the capital markets and, above all, strengthen companies' equity base. Companies which fulfilled at least two of the three following criteria in the last two fiscal years prior to 1st January 2020 for which they filed an annual financial statement are entitled to apply:

- 1) balance sheet total of more than 43 million Euros,
- 2) turnover of more than 50 million Euros,
- 3) average annual number of employees of more than 249.

 The point of contact for this fund is the Federal Ministry for Economic Affairs and Energy: <https://www.bmwi.de/Redaktion/DE/Coronavirus/WSF/wirtschaftsstabilisierungsfonds.html>

### **Short-time Working Benefits**

If a company is obliged to introduce short-time work because of the worldwide numbers of persons with disease caused by the coronavirus and this results in a loss of wages or salary, affected employees may be entitled to receive short-time working benefits. Employers must apply for short-time working compensation for their employees.

In the meantime, the German Federal Government and the legislator have enacted special provisions and relief measures to allow employees to obtain short-time working benefits. These relief measures be effective retroactively from March 1st and will also be paid out retroactively. The point of contact is the [local job centre](#). The most important changes are listed specifically below:

- Employees are eligible for short-time working benefits if at least 10 percent of employees have a loss of earnings of more than 10 percent.
- Up to 100 percent of social insurance contributions for the reduced working hours may be reimbursed.
- Agency workers can also be put on reduced hours and may be entitled to receive short-time working benefits.
- Employees on reduced working hours must not accrue negative hours on their working time account.

The standard conditions for obtaining short-time working benefits still apply.

### Information about the amount of short-time working benefits:

From May 2020, short-time working benefits will be progressively increased as follows: persons who are receiving short-time working benefits because they are only working 50 percent or less of their standard working hours will receive an increase rising to 70 percent or 77 percent (for households with children) from the 4th month of drawing benefits and rising to

80 percent or 87 percent (for households with children) from the 7th month of drawing short-time working benefits, but only until the end of 2020 at the very latest.

#### Expansion of the supplementary income limit:


The supplementary income limit for employees receiving short-time working benefits has been expanded. From May 1<sup>st</sup>, employees are allowed to earn a supplementary income as long as it does not exceed their full monthly income prior to drawing short-time working benefits. This option is available to persons working in all professions or trades.

This provision only applies until the end of the year.

#### Information about extending the period for receiving short-time working benefits:

The period during which persons may receive short-time working benefits has been extended to 21 months. However, this only applies to employees whose right to claim short-time working benefits arose prior to 31st December 2019. It should also be noted that this extended period will end on 31st December 2020 at the latest. This means that only employees whose right to claim benefits for the maximum period of 21 months arose before 1st April 2019 will benefit from the extended period. Employees drawing short-time working benefits who only became entitled to receive benefits in 2020 will only receive benefits for the statutory period of 12 months.


**Important note:** Companies must first inform the local job centre that they are putting their employees on reduced working hours. Employees may only apply for short-time working benefits after their company has informed the job centre.

 All information, printed forms and video tutorials are available online at : <https://www.arbeitsagentur.de/news/corona-virus-informationen-fuer-unternehmen-zum-kurzarbeitergeld>

### **Tax Relief**

Together with the ministries of finance of the German federal states, the [German Federal Ministry of Finance](#) has approved a number of fiscal measures to support companies affected by the spread of the virus, such as deferring payments of taxes due, adjusting advance payments, and the alleviation of enforcements.

Companies wanting to avail themselves of the fiscal relief measures for businesses should contact their [local tax office](#).


 An overview of frequently asked questions (e.g. fiscal questions about short-time working or the tax deductibility of costs) are available at: <https://fm.baden-wuerttemberg.de/de/ministerium/corona/faq-steuern/>



## Corona Crisis Management Services

To counteract the effects of the coronavirus pandemic, the Ministry for Economics, Labour and Housing of Baden-Württemberg has set up an additional support measure in the form of corona crisis management services for small and medium-sized enterprises, self-employed individuals and professionals in Baden-Württemberg.


The aim is to provide free consultations which can be used to assess a company's commercial situation, evaluate its options for ensuring liquidity and develop a strategy for the business to cope with the crisis. Businesses can avail themselves of up to four days of consultations. The Ministry for Economics, Labour and Housing has commissioned RKW Baden-Württemberg, the consultancy and business development agency for trade and small and medium-sized enterprises BWHM, and the DEHOGA consultations and management consultancy of the trade associations of Baden-Württemberg to provide corona crisis management services. Interested companies can contact the advisory services directly. At the initial meeting, the company's eligibility conditions will be determined, its consultancy needs will be analysed, and the company will be put in touch with a suitable restructuring and crisis management expert.

 For more information, please go to:

- RKW Baden-Württemberg: <https://www.rkw-bw.de/>
- BWHM - Beratungs- und Wirtschaftsförderungsgesellschaft für Handwerk und Mittelstand: <https://www.bwhm-beratung.de/>
- DEHOGA: <https://www.dehogabw.de/informieren/branchenthemen/coronavirus/corona-kriseberatung.html>
- Unternehmensberatung Handel - Ein Unternehmen der Handelsverbände in Baden-Württemberg (consultancy for trade associations): <https://www.foerdermittel-handel.de/>

## Contact Offices for Securing Supply Chains


In co-operation with the federal states and a number of other organisations, the German Federal Ministry for Economic Affairs and Energy has set up a network of contact offices to help secure supply chains. The aim is to ensure that manufacturing and delivery of primary products will function smoothly again, where possible. The contact office set up by the Ministry of Economics, Labour and Housing and the CCI for the region of Stuttgart in the context of this initiative deals both with problems arising from the manufacture and supply of primary products and with general problems associated with the supply of raw materials.

 For concrete questions about the economy, please contact the CCI using its e-mail address [kontaktstelle-lieferketten@stuttgart.ihk.de](mailto:kontaktstelle-lieferketten@stuttgart.ihk.de). The Ministry for Economics, Labour and Housing is the primary contact for the network of the Federal Ministry of Economic Affairs and Energy; other agencies of the Federal Government, the federal states and the relevant economic organisations can be contacted using the central e-mail address [kontaktstelle-lieferketten@wm.bwl.de](mailto:kontaktstelle-lieferketten@wm.bwl.de).



### **Support Programme “Apprentices in Partner Companies – Share the Training”**

By supporting inter-agency vocational training, the aim is to create flexible solutions which will ensure that the introduction of short-time working hours will not have a detrimental impact on the quality of training. Companies that train apprentices but cannot offer the complete range of training on their own and therefore provide joint training in co-operation with other companies will be supported by a bonus payment. Because of the current situation, the conditions for businesses who have had to introduce short-time work have been made easier: instead of the 20 weeks spent in a partner company which is usually a mandatory part of the required training for apprentices, funding will still be available as long as the apprentice spends at least four weeks of his training in a partner company during the short-time working period. The company will receive a one-off payment of 1000 Euros.

 All information on programmes and how to apply is available at: <https://wm.baden-wuerttemberg.de/de/service/foerderprogramme-und-aufrufe/liste-foerderprogramme/azubi-im-verbund-ausbildung-teilen/>

### **Start-up BW Pre-Seed expanded into Start-up BW Pro-Tect**

The Ministry of Economics, Labour and Housing of Baden-Württemberg is providing support to start-ups during the corona crisis with its funding programme “Start-up BW Pro-Tect”. Start-up BW Pro-Tect is an expansion of the early-stage start-up programme “Start-up BW Pre-Seed,” a unique funding and support programme only available in Baden-Württemberg. Start-up BW Pro-Tect focuses on crisis-stricken start-up companies which have already successfully completed their first round of funding. Funding is made available in the form of a convertible loan which can be used to cover an initial capital need of up to 200,000 Euros (or up to 400,000 Euros in justified exceptional cases), 80 percent of which is provided by the state of Baden-Württemberg and 20 percent of which must be provided by private co-investors. The requirements for funding are:

- The need for additional liquidity must be a consequence of the negative impact of the corona crisis.
- The start-up company must have been founded no longer than five years ago.
- The company must not yet have raised more than three million Euros equity capital.
- The start-up must have a growth-oriented business model with an innovative product development or application at its core (e.g. AI applications, platform technologies, e-commerce, smart green technologies, Industry 4.0 or the life sciences).
- The recommendation and mentoring must come from a Start-up BW accelerator and programme partner of Start-up BW Pre-Seed.

- Private co-investors must continue to provide at least 20 percent of the start-up funding on the same terms as the state of Baden-Württemberg.
- The amount of funding is calculated based on the company's "cash burn", i.e., its ongoing cash expenses minus any sales revenues in the next six months.

Information about the programme is available at: [www.startupbw.de/pro-TECT](http://www.startupbw.de/pro-TECT)

## Support Package of the German Federal Government for Start-ups

In principle, start-ups can additionally access all of the support measures of the corona support package of the German Federal Government. However, traditional financial instruments are often unsuited to the needs of start-up companies, young technology companies and small enterprises. In many cases, because of their young age and generally very innovative business models, these companies will not meet the requirements their main bank imposes on borrowers. For this reason, the German Federal Government has set up a package of measures amounting to 2 billion Euros, which has two pillars:

### Pillar 1: The Corona Matching Facility:

Both KfW Capital and European investment funds provide private venture capital funds with additional public resources using the new Corona Matching Facility (CMF). This should ensure that investors will provide funding to highly innovative, promising start-ups even during the corona crisis. The aim is to help relatively young companies to continue growing their business even in the current economic climate. The individual funding is expected to match the funding obtained from the CMF on an equal footing without additional government aid, with funding provided at a maximum ratio of 70 to 30 (public to private funds); individual financing rounds may receive a maximum amount of 50% of their funding from the CMF. In addition, funding from the 2 billion Euros package of measures will be made available through the two public venture capital funds High-Tech Gründerfonds (HTGF) and coparion, with this funding earmarked for direct investment in start-up companies.

### Pillar 2 for start-ups and small enterprises (with no access to Pillar 1):

Other means of securing funding for start-ups and small enterprises who are unable to access the Corona Matching Facility are being created. The federal states in Germany and their respective regional organisations will be working closely together.


Information on the Corona Matching Facility: <https://kfw-capital.de/corona-matching-fazilitaet/>

For more information: [https://www.bmwi.de/Redaktion/DE/Downloads/S-T/start-up-schutzschild.pdf?\\_blob=publicationFile&v=4](https://www.bmwi.de/Redaktion/DE/Downloads/S-T/start-up-schutzschild.pdf?_blob=publicationFile&v=4)

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## Simplified Access to Social Security Benefits

The welfare package of the German Federal Government has made it easier to access social security benefits to ensure that freelancers and self-employed persons in particular have adequate means of support.

 More information is available at: <https://www.arbeitsagentur.de/corona-faq-grundsicherung>. The Federal Labour Office has also set up a special free hotline. The hotline aims to provide immediate answers to questions by freelancers, self-employed persons or persons who never previously received any basic income benefits and to direct persons making inquiries to the appropriate application forms on the website and the appropriate job centre. 