





















Baden-Württemberg

MINISTRY OF ECONOMIC AFFAIRS, LABOUR AND HOUSING

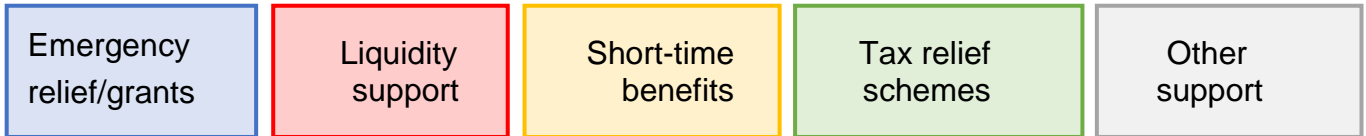
 Information for companies in Baden-Württemberg (as on: 15 July 2020)

1. Important contacts

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

2. Specific support for affected companies in Baden-Württemberg

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



Corona Emergency Relief I

On 25th March 2020, the Ministry of Economic Affairs, 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 programme, amounting to more than 2.2 billion Euros, helped just under 240,000 companies secure the continued existence of their business and bridge acute coronavirus-related liquidity shortages. Applications for emergency relief could be filed up until May 31, 2020.

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

Corona Interim Aid

The extent of the economic impact of the pandemic means that many businesses are still experiencing a serious decline in revenues. The issue of ensuring the continued existence of companies is therefore still acute. On 12th June 2020, the German Federal Government therefore agreed on the framework for a cross-sectoral interim aid programme providing additional support to companies affected by significant decreases in revenue. The interim aid programme is an intersectoral grant programme with a runtime of three months (June to August 2020) and a maximum volume of 25 billion Euros.

The state of Baden-Württemberg will be supplementing this federal aid programme by providing funding for fictive management salaries. As the German Federal Government has explicitly excluded the cost of living and entrepreneurs' salaries from the costs eligible for federal funding, the programme of the federal government will be topped up – as already occurred with the Corona Emergency Relief – by a grant provided by the state of Baden-Württemberg which will fund a fictive entrepreneur's salary of up to 1180 Euros per month according to the individual decrease in turnover.

 Information on interim support: www.ueberbrueckungshilfe-unternehmen.de

For more information, please refer to: <https://wm.baden-wuerttemberg.de/de/service/foerderprogramme-und-aufrufe/liste-foerderprogramme/ueberbrueckungshilfe-corona/>


Corona Stabilisation Support for the Hotel and Catering Sector

Suitable grants from the Corona Stabilisation Support programme for the hotel and catering sector aim to provide additional financial aid to restaurants, catering businesses and hotels which have taken a direct economic hit from the coronavirus pandemic to compensate for newly arisen or ongoing liquidity shortages and ensure the economic survival of these businesses. Businesses, social institutions and self-employed persons working in the hotel and catering sector who are in extreme financial straits or whose livelihood is threatened because of the liquidity shortages caused by the coronavirus pandemic will receive support in the form of a one-off, non-repayable stabilisation grant. The stabilisation grant varies depending on the number of employees, with the maximum sum available for a period of three months amounting to:

- 3000 Euros for the business, as well as
- up to a further 2000 Euros for every employee based on equivalent full-time working hours.

The amount of the stabilisation grant is limited to a documented liquidity shortage during the funding period. The funding period is defined as a continuous period of not more than three months, which starts on 1st May 2020 at the earliest and ends on 30st November 2020 at the latest. If the applicant has already received Corona Emergency Relief from the state of Baden-Württemberg, then the earliest date on which the funding period may start is one day after the expiry of the period covered by the emergency relief received.

Applications for stabilisation grants can be filed from 1st July 2020.

 For information on the programme, on filing an application, and contacts, please refer to: <https://wm.baden-wuerttemberg.de/stabilisierungshilfe-HOGA>

Liquidity Support Funding

A number of established funding instruments together with the 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 institution but should submit their application directly to their main bank.

The company's main bank knows 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 can range from four to ten years, and standard loans of up to 5 million Euros are available. Companies can choose from 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 an optional corona relief guarantee 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

Start-up Financing / Growth Financing


Working capital grants which are available in the context 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 and no option for early repayment without incurring additional charges.

 For more information: www.l-bank.de/gf and www.l-bank.de/wf

Further Training Financing 4.0


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

which organise development and training courses for their employees to upgrade their skills by training them in new operating and digitisation processes. Low-interest financing is available for such projects in the form of three- to five-year loans from the Further Training Financing 4.0 programme provided as a lump sum (usually 20,000 Euros per employee signed up for further training).

 For more information: www.l-bank.de/wbf

Innovation Financing 4.0

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

 For more information: www.l-bank.de/inno


Important note: All subsidised loans from L-Bank can be additionally accompanied by combined guarantees from Bürgschaftsbank.

With regard to existing subsidised loans granted to companies now temporarily unable to meet their repayment charges because of the coronavirus 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, then, 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**. From 15th July 2020, **companies with up to 10 employees** can apply for immediate guarantees for loans **of up to 250,000 Euros**.
- L-Bank is responsible for guarantees **over 2.5 million Euro up to a maximum of 20 million Euros**. Individual guarantees are available in addition to the standard combined programmes.
- L-Bank handles guarantees which are backed by the state of Baden-Württemberg, i.e. guarantees amounting to **more than 20 million Euros**.

 For more information: <https://www.buergschaftsbank.de/hilfspaket-corona-krise> and www.l-bank.de/corona


KfW Corona Aid

KfW Fast-track Loans 2020

From 15th April 2020, medium-sized businesses with more than 10 employees can apply for the new KfW fast-track loan 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). 100 percent of the loan is secured 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 and medium-sized companies (SMEs) are backed by a 90 percent release of liability towards their main bank if the business has existed for 3 years. An 80 percent release of liability can be arranged for loans to larger companies.

 For more information on KfW Fast-track 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 12th May 2020, the government of the state of Baden-Württemberg agreed on a framework 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 will 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 of time or employ equity-type financial instruments to complement other programmes.

What distinguishes this fund from the economic stabilisation fund of the German Federal Government that targets the needs of larger companies is that the investment fund of Baden-Württemberg is specifically aimed at companies located in Baden-Württemberg which had more than 50 but 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 still 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 aims 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 aim of the fund is to eliminate liquidity shortages, support refinancing on the capital markets and, above all, strengthen companies' equity base. Companies which met at least two of the three following criteria in the last two fiscal years for which they filed an annual financial statement prior to 1st January 2020 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 was 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>

Mezzanine Participation Programme

Start-ups and new businesses often do not have a main bank and are therefore unable to fully access the coronavirus loan programmes created by the state of Baden-Württemberg and the Kreditanstalt für Wiederaufbau (KfW) while at the same time they face the issue of a sharp downturn in the numbers of private investors.

As the economic consequences of the coronavirus pandemic continue unabated, liquidity support based only on borrowed capital is no longer sufficient for medium-sized companies, as even loans which have been granted cannot make up for the losses caused by the drop in revenues. If revenues fail to materialise, this represents a significant barrier for companies trying to raise additional loan capital. The idea is to counter this threat to businesses by launching a time-limited programme to strengthen the equity of these companies.

The Mezzanine Participation Programme will be implemented in co-operation with the German Federal Government. The state of Baden-Württemberg will be providing 50 million Euros. This should generate financing of up to 250 million Euros. L-Bank will allocate funds to accredited financial intermediaries, who will pass them on to businesses in the form of convertible loans, subordinated loans and silent partnerships or even direct investments in selected cases. The German Federal Government will bear 70 percent, the state of Baden-Württemberg will bear 20 percent and the remaining 10 percent will be borne by the financial company which has implemented the partnership or finance transaction.

The programme is currently still in preparation.

Short-time Working Benefits

If a company is obliged to put employees on short time because of the global numbers of persons infected with the coronavirus and this results in a loss of wages or salary, then employees on short time may be entitled to receive short-time working benefits. Employers must apply for short-time working compensation for their employees.

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

- Employees are eligible for short-time working benefits if at least 10 percent of employees working for a company have had 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 which entitle employees to receive 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 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.

Increase in the supplementary income limit:

The supplementary income limit for employees receiving short-time working benefits has been increased. From May 1st, 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.

Note: the short-time working benefits period has been extended:

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 extension. 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 short time. 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. These measures include deferring payments of taxes due, adjusting advance payments, and alleviating enforcements.


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

 An overview of frequently asked questions and answers (e.g., fiscal questions about short-time work or the tax deductibility of costs) is available here: <https://fm.baden-wuerttemberg.de/de/ministerium/corona/faq-steuern/>

Corona Crisis Consultation Services

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


The aim is to provide free consultations which can be used to assess the company's commercial situation, evaluate its options for ensuring liquidity, and develop a strategy which will allow the business to cope with the crisis. Businesses can avail themselves of up to four days of consultations. The Ministry of Economic Affairs, 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 with providing corona crisis management services. Interested companies can contact the advisory services directly. At the initial meeting, the company's eligibility for support 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 Beratung: <https://www.dehogabw.de/informieren/branchenthemen/coronavirus/corona-kriseberatung.html>
- Unternehmensberatung Handel (consultancy for trade associations) - Ein Unternehmen der Handelsverbände in Baden-Württemberg: <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 the manufacturing and delivery of primary products will run smoothly again, where possible. The contact office set up by the Ministry of Economic Affairs, Labour and Housing of Baden-Württemberg and the CCI for the region of Stuttgart in the context of this initiative deals both with problems in connection with the manufacture and supply of primary products and with general problems associated with the supply of raw materials.

 For specific questions about the economy, please contact the CCI using this e-mail address: kontaktstelle-lieferketten@stuttgart.ihk.de. The Ministry for Economic Affairs 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.

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 simplified: instead of the 20 weeks spent in a partner company (which is usually a mandatory part of the required training of 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 for Economic Affairs, Labour and Housing is supporting start-ups during the coronavirus 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 requirement 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 conditions for receiving funding are:

- The need for additional liquidity must be a consequence of the negative impact of the coronavirus crisis.
- The start-up company must have been set up not more than five years ago.
- The company must not 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 or a 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 provided 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 here: 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 coronavirus 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 imposed by their main bank on borrowers. For this reason, the German Federal Government has set up a package of measures amounting to 2 billion Euros, which rests on 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 is to ensure that investors will provide funding to highly innovative, promising start-ups even during the coronavirus crisis. The aim is to help relatively young companies to continue growing their business even in the current economic climate. The resources provided by individual funds must match the funding 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 financing); individual financing rounds can receive a maximum 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.

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


Pillar 2 for start-ups and small companies (without access to Pillar 1):

Other means of securing funding for start-ups and small enterprises which are unable to access the Corona Matching Facility are being created. The federal states in Germany will be working closely together, as will their respective regional organisations (see the **Mezzanine Participation Programme**).

 For more information: <https://www.kfw.de/inlandsfoerderung/Unternehmen/KfW-Corona-Hilfe/Start-ups.html>

Simplified Access to Social Security Benefits

The welfare package of the German Federal Government has made it easier, especially for freelancers and self-employed persons, to access social security benefits, thereby ensuring that they will have a basic income which will provide them with adequate support.

 For more information, please refer to:

https://www.bmjbv.de/DE/Themen/FokusThemen/Corona/Insolvenzantrag/Corona/Insolvenzantrag_node.html <https://www.arbeitsagentur.de/corona-faq-grundsicherung>. The German Federal Employment Office has additionally set up a special toll-free hotline. The hotline should provide freelancers, self-employed persons and persons who never previously received basic income benefits with quick answers to their questions and should direct the persons making inquiries to the right application forms on the website and the appropriate job centre. ☎ 0800 4 5555 23