

SBCI COVID-19 – WORKING CAPITAL SCHEME

1st April 2020

Under the COVID-19 Working Capital Scheme, the SBCI have made loans available through AIB, Bank of Ireland and Ulster Bank. Approval of loans is subject to the banks own credit policies and procedures. It should be noted that businesses cannot complete a loan application until they have received their eligibility letter from the SBCI.

The loans are available to fund future working capital requirements, innovation, change or adaptation of the business to mitigate the impact of COVID-19.

Loans **cannot** be used for refinance of undertakings in financial difficulties or refinance of existing debt (e.g. Terms Loans/Leases/Hire Purchase etc.).

LOAN FEATURES

- Loan amounts from €25,000 up to €1.5m per eligible enterprise (see the [State Aid section](#) below for further details)
- Maximum interest rate of 4%
- Loan terms of 1 to 3 years
- Loans unsecured up to €500,000
- Optional interest-only repayments may be available at the start of the loans
- The loan amount and term are dependent on the loan purpose

IS OUR CO-OPERATIVE ELIGIBLE?

The following categories of enterprises that meet the [eligibility criteria](#) may apply:

- Viable micro, small and medium sized enterprises (SMEs)
- Enterprises larger than SMEs but with fewer than 500 employees

SMEs are defined by the Standard EU definition [Commission Regulation 2003/361/EC] as enterprises that:

- Have fewer than 250 employees
- Have a turnover of €50 million or less (or €43 million or less on their balance sheet)
- Are independent and autonomous (not part of a wider group of enterprises)
- Have less than 25% of their capital held by public bodies
- Are established and operating in the Republic of Ireland

WHAT WOULD RULE OUR CO-OPERATIVE OUT OF THE SCHEME?

Co-operatives that:

- Are involved in the primary agriculture and/or aquaculture sector
- Are in financial difficulty **excluding** cashflow pressures caused by COVID-19 impact
- Are bankrupt or being wound up or having its affairs administered by courts
- Have entered an arrangement with creditors, in the context of being bankrupt or wound-up or having its affairs administered by the courts in the last 5 years.
- Are convicted of an offense concerning professional misconduct by judgement, fraud, corruption, involvement in a criminal organisation, money laundering or any other illegal activity where such illegal activity is detrimental to the European Union's financial interests.

HOW TO APPLY FOR A LOAN?

The SME/Small Mid-Cap must first complete the Eligibility Application Form to check if they are eligible to apply to the bank(s) for a loan under the Scheme.

If an SME/Small Mid-Cap is eligible they will receive a letter of confirmation from the SBCI which they then present to the bank(s), as part of the credit application process.

WHEN ARE THE SBCI COVID-19 WORKING CAPITAL LOAN SCHEME LOANS AVAILABLE?

- Applications for loan eligibility can be made from 23 March 2020
- Loan applications can be made to financial providers once the eligibility letter is received.
- The Scheme operates from March 2020 to March 2021 or until the scheme has been fully subscribed.

HOW DOES OUR CO-OPERATIVE APPLY FOR A LOAN?

The following Banks will be offering SBCI COVID-19 Working Capital Loans:

- AIB
- Bank of Ireland
- Ulster Bank

If you wish to discuss the supports your co-operative can access, please contact Darragh Walshe at dwalshe@icos.ie or 086 2758132.