

COVID-19: Information about support measures in Tyrol (as at 19 March 2020, 12 noon)

1. Measures applicable throughout Austria

In to immediate action to maintain liquidity for companies, nation-wide and regional measures have been addition taken during the past week to create liquidity in Austrian companies.

In this context, the Austrian Federal Economic Chamber (WKO) provides information about the following measures: interim guarantees for working capital credits for one-person businesses, small and medium-sized enterprises (SMEs) and tourism businesses.

One-person businesses and SMEs:

- Companies with fewer than 250 employees, max. sales of euro 50 million or a balance sheet total of euro 43 million in all sectors (except tourism)
- Collateralisation of 80% of interim loans for loans of up to euro 2.5 million per SME
- Term of 5 years
- Guarantee volume of euro 10 million in total
- Processing: via the financing bank and Austria Wirtschaftsservice (www.aws.at/aws-garantie/ueberbrueckungsgarantie)
- Companies already at risk of becoming insolvent shall be exempt from the interim guarantee (i.e. companies meeting the URG [Austrian company reorganisation act] criteria (equity ratio of less than 8% and notional debt redemption term of more than 15 years) and companies meeting the requirements for opening insolvency proceedings upon request by the creditors)

Tourism businesses:

- Small and medium-sized enterprises (SME) of the WKO's tourism and leisure industry division
- Collateralisation of 80% of interim loans for loans of up to euro 0.5 million per SME (corresponding to a guarantee covering euro 0.4 million)
- Term of 3 years
- Guarantee volume of euro 100 million in total
- Processing: the support package starts with immediate effect via the financing bank and Österreichische Hotel- und Tourismusbank (OeHT) on behalf of the Ministry of Tourism (www.oeht.at/produkte/coronavirus-massnahmenpaket-fuer-den-tourismus)

Export financing:

- Credit facilities in the amount of 10 percent (big corporations) or 15 percent (small and medium-sized enterprises) of export revenues in the maximum amount of euro 60 million per customer
- Total volume: euro 2 billion
- Application: to be processed via the principal bank and Österreichische Kontrollbank AG
- Period: limited to 2 years for now
- Requirements: export activities and proof that the company has not been in any economic or financial trouble before the COVID-19 effects.

In addition, other regional support measures were published. In your federal province [Bundesland], the following support measures may be of particular interest:

2. Measures for Tyrol

According to a press release dated 16 March 2020, the regional government of Tyrol has adopted a resolution (not published) regarding a euro 400 million support package, the details of which are being worked out at present. No specific information is available yet, but the package is meant to supplement the measures of the federal government, adjusted for the specific requirements of the Tyrolean economy.

According to statements made by the member of the regional government competent for economic affairs, the following measures will be included:

- Financing options
- Deferments and changes to assessments
- Direct assistance such as subsidies for interest and government grants to the cultural sector

3. Measures for Innsbruck

Apart from the suspension of formerly applicable regulations regarding parking zone management, enabling workers and employees to go to work by car, thus avoiding any potential risk of infection in public means of transport, the municipal administration adopted additional measures in the course of an accelerated procedure on 19 March:

- All businesses that have applied for a pub garden are released from the obligation to pay the relevant financial contribution until further notice and will only have to pay the same upon cancellation of the government restrictions around the coronavirus, as of July at the earliest.
- Entrepreneurs demonstrably affected by any partial or complete loss of income due to the measures regarding the coronavirus crisis will be granted a respite for payment of the monthly municipal tax until further notice, by simply sending an informal letter to the competent office (Gemeindeabgaben-Vorschreibung).
- No late payment fines and interest charged for deferred payment will be applicable to any such requests for deferment.
- Equally, IKB, as strategically important subsidiary, will take appropriate customer-friendly measures, such as financial facilities, an increased band for uploads to improve work from home, or other forms of relief, such as no dunning notices and power cuts.

TPA TIPP:

The support measures are intended to help those companies that currently find themselves in a crisis situation as a result of the coronavirus. Proof of the crisis situation must be provided, therefore we recommend that you complete your annual financial statements and tax returns for 2019 promptly, for you to be able to provide evidence that the individual requirements are met. More than usually, we also recommend that you ensure timely accounting, as some of the support measures apply to current declines in March 2020 already.

Stay safe and healthy!

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