

Annex I

The “Lex Corona” and the Act 67/2020 include urgent measures to support the liquidity of companies and ensure business continuity. The applicable measures are described and compared below.

Applicable Measures	Large corporates	SMEs
Eligible Beneficiary	All enterprises registered in Slovakia regardless of their shareholder structure.	SMEs registered in Slovakia regardless of their shareholder structure.
Financial Aid Measures under Act 67/2020 (EXIMBANKA SR and SGDB)	Not available to large corporates	<p>Type of financial aid: guarantees for loans and the payment of (a portion of) interest on loans provided by designated state-backed banks - EXIMBANKA SR and SGDB</p> <p>Beneficiary: any SME enterprise that (i) does not hold a license for remunerated employment mediation and is not an agency for temporary employment; (ii) is not in arrears with payment of social security, mandatory pension or health insurance contributions for more than 180 days; (iii) is not subject to bankruptcy or restructuring proceedings; and (iv) complies with other conditions that may be stipulated by EXIMBANKA SR or the SGDB</p> <p>Limits: aggregate amount of guaranteed loans shall not exceed EUR 50,000,000 with maximum portfolio guarantee: 51% (EUR 25,500,000)</p> <p>Interest payment subsidy: expected in the amount of up to 4% of the interest agreed in the loan agreement with EXIMBANKA SR or the SGDB; conditions of interest subsidy: (i) maintenance of the job preservation criteria defined in the loan agreement for the period defined in the loan agreement, and (ii) meeting maximum social and health security payment arrears criteria defined in the loan agreement</p> <p>Repayment: if the Slovak MoF will need to perform under the provided guarantees, the borrowers will be obliged to repay the funds paid by the MoF to the MoF with applicable interest.</p> <p>Draft EXIMBANKA SR loan conditions:</p> <p>Amount: up to EUR 500,000, but not exceeding 50% of the total 2019 turnover of the SME</p> <p>Maturity: three years, with a deferred repayment of principal and interest for 12 months from the date of drawdown</p> <p>Purpose of financing: limited to the financing of operating costs, investments in assets related to the maintenance of operations and employment as</p>

		<p>well as the payment of contributions to the state authorities</p> <p>SGDB: the details on loans provided within the aforementioned scheme by the SGDB are yet to be published.</p>
SIH Guarantee Scheme	Not available to large corporates	<p>Type of financial aid: guarantees for loans and the payment of (a portion of) interest on a loan provided by commercial bank participating in the scheme for specified eligible purposes including acquisition of assets related to the retention or increase of jobs or financing of working capital related expansion of a new or existing activity of the SME (the loans may not be used, in particular, to refinance existing indebtedness or interest from bonds or to finance operations/investments which were physically terminated or fully implemented prior to the submission of the loan application)</p> <p>Beneficiary: any SME which (i) is not classified as an “undertaking in difficulty” (<i>podnik v ťažkostiach</i>); (ii) is not classified in the highest credit risk rating category; and (iii) does not operate in the fisheries and aquaculture sector or in the primary production of agricultural products (or otherwise exempted)</p> <p>Purpose of the financing: enabling commercial banks to extend bridging loans with favourable-terms to SMEs and to help them overcome financial difficulties</p> <p>Maximum guaranteed amount: 80% guarantee for individual loans with principal amount up to EUR 1,180,000 with guarantee limit up to 50% of the portfolio subject to guarantee.</p> <p>Conditions</p> <ol style="list-style-type: none"> 1. <i>Minimum and maximum maturity:</i> Min. 3 years (36 months, 12 months – revolving loans) and max. 4 years (48 months); including postponement of instalments 2. <i>Interest subsidy parameters:</i> max 4% p. a. (not applicable for revolving loans) 3. <i>Postponement of principal and interest instalments:</i> 12 months from the first utilisation of the loan (not applicable for revolving loans) 4. <i>Interest rate reduction mechanism:</i> standard interest rate must first be lowered by reducing the bank’s margin by 50% due to the guarantee provided; consequently, the interest rate will be additionally lowered by an interest subsidy of up to 4% p. a., but only up to a final interest rate of 0%.

		<p>5. <i>Job Security Undertaking</i>: (i) maintenance of the average level of employment of regular employees in comparison with the previous situation for 12 months from the date of the first loan; the eligibility for an interest rate reduction is also conditional upon meeting maximum social and health security payment arrears and outstanding liability thresholds specified in the guarantee/loan agreement;</p> <p>6. <i>Provision/increase/guarantee/early repayment fee</i>: 0%, other fees are subject to the standard fee tariffs.</p> <p>Commercial terms: based on the available information, the provision of guarantees will be free of charge and the financial institutions/banks shall not charge any fees for the provision/increase/guarantee/early repayment of the loan.</p> <p>Process: the SMEs will apply for the provision of guaranteed loans directly at the financial institution/bank responsible for assessment whether the applicant is eligible for aid.</p>
Standstill and postponement	Statutory regime of postponement of repayment of loans provided by commercial banks/other creditors is not available to large corporates but may be agreed on bilateral basis	<p>Postponement of commercial loan repayment under Act 67/2020 is available for SMEs and natural persons – entrepreneurs under the following conditions</p> <ul style="list-style-type: none"> • submission of borrower’s request within the pandemic period; • maximum postponement up to nine months from the due date of the next outstanding instalment (banks) or up to six months (other creditors); • creditors may not request additional security, the payment of additional fees or make the postponement conditional upon additional conditions.
	<p>The following main suspension/standstill measures under Lex Corona apply to large corporates and SMEs: (i) suspension of limitation and prescription periods in private law until 30 April 2020; (ii) auctioneers, bailiffs and trustees are prohibited from conducting auctions, entrusting the sale of property to auctioneer, organizing bidding processes or other competitive processes to sell property until 30 April 2020; (iii) until 30 April 2020 bailiffs are prohibited from carrying out enforcement proceedings through the sale of real estate and liens may not be exercised (acts aimed at exercising liens between 27 March 2020 and 30 April 2020 shall be ineffective); and (iv) the period for the filing of a bankruptcy petition by the debtor due to overindebtedness has been extended from 30 days to 60 days for the situations in which a debtor becomes insolvent from 12 March 2020 to 30 April 2020.</p>	
Insolvency protection scheme	<p>Beneficiary: entrepreneurs (large corporates as well as SMEs) with (i) a registered office or registered place of business in Slovakia holding valid business authorization before 12 March 2020, and (ii) who have not been insolvent as of 12 March 2020, except for financial institutions (such as banks, insurance companies, health insurance companies, payment institutions or securities brokers)</p>	

	<p>Process: the temporary insolvency protection will be granted upon the issuance of the confirmation of the locally competent court based on the submission of a written request submitted by the applicant</p> <p>Main effects of protection:</p> <ul style="list-style-type: none"> • suspension of the proceedings on the creditors' petitions for the bankruptcy of a protected entrepreneur filed after 12 March 2020; • suspension of obligation on the side of the protected entrepreneur and persons obliged to file for bankruptcy on its behalf (e.g., directors) to file a petition for bankruptcy; • suspension of enforcement proceedings initiated after 12 March 2020; • standstill on the enforcement of liens over enterprises, movable assets, receivables or other assets belonging to the protected entrepreneur's enterprise and/or the setting off the protected entrepreneur's receivables that arose after the temporary protection has been granted against receivables of related undertakings that arose prior to the granting of the protection; • standstill on terminations or withdrawals from agreements concluded with the protected entrepreneur for delayed performance occurring before granting of temporary protection; • imposition of obligation not to pay out dividends or other own funds or make non-negligible changes in the structure of assets; • cashless loans and similar transactions provided to the protected entrepreneur during the term of temporary protection and immediately related to the maintenance of its business shall not be (i) subject to the state of crisis regime under the Slovak Commercial Code, and (ii) regarded as subordinated within the bankruptcy proceedings (however, the security with respect to such funding will not be recognized within bankruptcy proceedings) <p>Expiration of protection: (i) 1 October 2020; or (ii) 31 December 2020 at the latest (if extended by the decision of the Slovak Government) unless terminated earlier (request of the applicant/a decision of the court)</p>
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