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CORONAVIRUS: MEASURES SUPPORTING AVAILABILITY OF FINANCING FOR POLISH BUSINESSES

In March 2020, the Polish government launched its "Anti-crisis Shield" intended to support businesses during the crisis caused by the COVID-19 pandemic. The Anti-crisis Shield comprises a broad scope of legislative measures, subsidies and programmes aimed at preserving jobs and improving liquidity and financial stability of businesses affected by the pandemic, also in the sphere of tax, social insurance, employment, certain contractual relationships, and administrative and court procedures, etc[1]. This briefing focuses on measures supporting the availability of financing for medium and large Polish businesses. Except for the full implementation of programmes that have already been announced, the government does not plan to introduce further measures. This briefing presents the status as at 10 August 2020.

ANTI-CRISIS ACT AND SUPPORT PROGRAMMES

One of the key elements of the Anti-crisis Shield is the special Anti-crisis Act of 2 March 2020[2], which came into force on 8 March 2020[3]. The Anti-crisis Act does not directly interfere in credit relationships, given that in this respect the Anti-crisis Shield is based primarily on the initiative of Polish banks themselves and supportive measures of state authorities and regulators in the sphere of monetary policy, regulations and supervision policy. However, the Anti-crisis Act and the Act on Special Instruments of Support[4] set a foundation for special credit support programmes developed in connection with the pandemic, to be offered by state-owned institutions such as BGK (Polish Development Bank), KUKE (Export Credit Insurance Corporation) and ARP (Industrial Development Agency). In addition, a separate financing programme

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[1] See our client briefings [Coronavirus: Polish Anti-crisis Act; Polish special Act concerning the Coronavirus - employment issues]

[2] Act on Special Solutions to Prevent and Counteract the COVID-19 or Other Epidemics and Crisis Situations Caused by Them of 2 March 2020.

[3] The original Anti-crisis Act was significantly amended on by subsequent acts.

[4] The Act on Special Instruments of Support in Connection with the Outbreak of SARS-CoV-2 Pandemic of 16 April 2020 (which, among other things, amends the Anti-crisis Act). In particular, the amendment relaxes the board members' obligation to file a bankruptcy petition within 30 days from the time the debtor becomes insolvent. The amendment provides that if the basis for the declaration of bankruptcy arose during the state of emergency relating to COVID-19 and the insolvency is caused by the epidemic, the time limit for filing the bankruptcy petition (30 days) does not start to run and a time limit that has started to run is interrupted. After the state of emergency is revoked, this time limit will run anew. The amendment also introduces a presumption that if insolvency arose during the state of emergency, it is assumed to have occurred due to the outbreak of the COVID-19 pandemic.

called the "Financial Shield" has been launched by PFR (Polish Development Fund) in accordance with the Act on the System of Development Institutions[5], while the Act on Interest Subsidies on Credit Facilities[6] sets a framework for another support programme to be offered by BGK. In addition, multilateral development banks (EIB and EBRD) announced their own programmes which may become available for Polish businesses, too.

Below we present selected features of these programmes, together with key measures addressed to banks or channelled through banks that are based on the assumption that banks should transfer the aid they receive to their customers (and – as a rule – the banks should be monitored in this regard).

SUPPORT TO BORROWERS OFFERED VOLUNTARILY BY BANKS

Banks' offer (non-legislative moratorium)

In an unprecedented bulletin issued on 16 March 2020, the Polish Bank Association (ZBP) offered voluntary measures designated for borrowers (both consumers and entrepreneurs) and the customers of bank-owned leasing and factoring firms who are having difficulty servicing their debts as a result of the COVID-19 epidemic[7]. The programme, as supplemented in a further bulletin of 31 March 2020, contemplates payment holidays and an option to renew existing financings at the request of any customer. Until 8 June 2020, procedures and detailed terms of offered support were determined by each bank independently.

On 1 June 2020, the ZBP published its declaration on the unification of rules of offering support instruments for the banking sector's clients[8], having the status of non-legislative moratorium in the meaning of the EBA's guidelines on legislative and non-legislative moratoria on loan repayments applied in the light of the COVID-19 crisis[9].

Banks and bank-owned leasing and factoring firms offer support instruments on the basis of the new unified rules starting from 8 June 2020. Support measures were made available to each borrower, lessee or factor who meets eligibility criteria set forth in the ZBP's declaration and who submits its application early enough so that the relevant bank could deal with it before 30 September 2020 (this deadline stems from the EBA's guidelines; the original deadline of 30 June has already been extended and may be subject to a further extension if the EBA decides to amend its guidelines).

The rules set out in the ZBP's declaration relate to support instruments made (or to be made) available from 13 March to 30 September 2020. Accordingly, they have retroactive effect, which arguably means that those customers who have already been granted support measures at less favorable terms are now eligible to apply for the improvement of such terms in order to make them compliant with the new rules.

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[5] The Act of 4 July 2019 on the System of Development Institutions, as amended.
[6] The Act of 19 June 2020 on Interest Subsidies on Credit Facilities (which, among other things, amends the Anti-crisis Act). In addition, it introduces a new type of simplified restructuring proceedings that a debtor can commence until 30 June 2021.
[7] See our client briefing "Coronavirus: Polish banks offer assistance"
[8] See https://zbp.pl/Aktualnosci/Stanowiska-i-komentarze/Jednolite-zasady-oferowania-narzedzi-pomocowych-przez-banki-%E2%80%93-moratorium-pozaustawowe.
[9] See EBA/GL/2020/02, https://eba.europa.eu/regulation-and-policy/credit-risk/guidelines-legislative-and-non-legislative-moratoria-loan-repayments-applied-light-covid-19-crisis.

Available support measures

The ZBP's declaration provides that support measures are available to any customers (consumers. microentrepreneurs, SMEs, large entrepreneurs), although instruments available to each category of customers are different. We present below measures offered to medium and large entrepreneurs.

In relation to non-renewable loans, support instruments include:

- for medium entrepreneurs: deferral of repayment of (i) principal instalments for up to six months or (ii) principal and interest instalments for up to three months;
- for large entrepreneurs: deferral of repayment of principal instalments for up to six months.

The deferral results in an amendment to the amortisation schedule. If the deferral relates to principal and interest instalments, the lender will be entitled to interest for the period of deferral in accordance with the original loan agreement.

In relation to renewable products (overdrafts, credit cards), where the customer does not meet standard requirements for the renewal before 30 June 2020, the parties may follow a simplified procedure (which means that the borrower's current creditworthiness will not be tested) and agree the renewal of financing for up to six months as well as the provision of additional transaction security (such as, for example, support instruments offered pursuant to dedicated laws, including guarantees by the BGK or other entities, provided that they constitute recognized credit protection in the meaning of the CRR (EU 575/2013).

In relation to leasing products, support instruments include the deferral or reduction of the principal portion of leasing instalments for a mutually agreed period not exceeding six months.

In relation to factoring products, the only instrument of support is the deferral of sums payable by the customer for a mutually agreed period not exceeding six months.

Each customer may apply for available support measures more than once, but in this case the aggregate period of deferral must not exceed the limits listed above.

Eligibility criteria

Support measures presented above are available to any customer who meets eligibility criteria set out in the ZBP's declaration. The following eligibility criteria apply in relation to medium and large entrepreneurs:

- the borrower meets the test of creditworthiness as at the end of 2019. Creditworthiness may be tested also as at the time of making the application (except for an application for a renewal, which will be dealt with in a simplified procedure);
- the borrower's situation has temporarily worsened due to the COVID-19 epidemic; and
- as at the date of submission of the application, no petition for the opening of bankruptcy or restructuring proceedings has been filed against the borrower, no liquidation of the enterprise has been opened and no enforcement proceedings are pending.

Statutory framework

Under the Anti-crisis Act, each bank may unilaterally alter the terms of any pre-crisis (i.e. entered into before 8 March 2020) credit facility agreement in the borrower's favour. Such amendment must be pre-agreed with the borrower and must be justified based on an assessment of the borrower's financial and economic condition, carried out by the bank no earlier than 30 September 2019. This provision intends to ease formalities (no need to execute an amendment agreement or waiver) and facilitate the credit assessment process (which might otherwise require a deeper and more up-to-date analysis of creditworthiness). This provision applies to facility agreements with any entrepreneurs (micro-, small or medium entrepreneurs as well as large corporate clients).

In addition to the regulation mentioned above (which relates to any bank loans), special legal regulations apply in relation to payment holidays (understood as a suspension of the performance of a credit agreement for a period up to three months) in relation to consumer credits, residential mortgage credits and other credits granted to consumers.[10] Subject to certain conditions, such a suspension will be automatically granted upon request to each borrower who has lost his job or other main source of income since 13 March 2020. During the period of payment holidays, the borrower is not obliged to make any payments except an insurance premium in relation to the loan, and the bank is not entitled to calculate interest nor to collect any fees (other than the insurance premia mentioned above).

REGULATIONS, POLICIES AND MEASURES TO SUPPORT BANKS

The offer of banks addressed to customers affected by the epidemic is accompanied by changes to monetary policy, regulations and supervisory policy, which before the crisis emphasised strict compliance with prudential requirements implemented after the 2008 crisis.

On 18 March 2020, the Polish Financial Supervision Authority (KNF) announced its multi-faceted initiative called #PIN - Supervisory Stimulus Package (*Pakiet Impulsów Nadzorczych*), which incorporates a number of measures and incentives to facilitate the operation of supervised markets and institutions during the crisis. From the perspective of borrowers, the most important ones are actions supporting the credit policy of banks, particularly with regard to the classification of banks' credit exposures and assessment of the creditworthiness of their customers. On 31 March 2020, KNF issued a bulletin relating to the financing of corporate clients presenting, inter alia, its approach to the assessment of creditworthiness of corporate clients during the COVID-19 epidemic[11]. Subject to a number of conditions and qualifications, KNF expressed its approval for situations where the lenders would take positive credit decisions in relation to, for example, the extension of loan maturity or renewal of loans despite inability to fully assess the borrower's creditworthiness due to the lack of reliable financial information (even where that borrower has lost its creditworthiness by virtue of a temporary threat of the loss of liquidity in connection with the COVID-19 epidemic).

[10] In this briefing, we focus on regulations on lending to entrepreneurs. However, we note that the Anti-crisis Act amended certain principles applicable to consumer credit (reducing the maximum permissible non-interest costs of consumer credit).
[11] KNF issued a separate bulletin dated 9 April relating to the financing of SMEs.

Notably, the KNF's approach is consistent with a statement of the European Banking Authority on the treatment of loans in respect of which payment holidays are being granted as a result of the various moratoria being put in place in Europe[12].

Other state authorities and institutions have taken coordinated steps to lower the costs and increase the availability of credit in the economy. In particular, the Monetary Policy Council has lowered interest rates and the rate of the mandatory reserve maintained by banks, while the Minister of Finance has repealed the ordinance on the risk system buffer and amended the ordinance setting out the principles on creating provisions against risks to enable banks to increase the volume of credit available to their customers. At the same time, the National Bank of Poland has started action to support the liquidity of banks, such as repo operations, purchase of treasury bonds and promissory note credit.

PROGRAMMES OF EUROPEAN INSTITUTIONS

European Investment Bank (EIB)

On 16 March 2020 the EIB announced a plan, backed by guarantees from the EIB Group and the EU budget, to mobilise up to EUR 40 billion of financing by way of bridging loans, credit holidays and other measures designed to alleviate liquidity and working capital constraints for SMEs and mid-caps. These measures will be offered by the EIB and the European Investment Fund (EIF) in partnership with national promotional banks and will be made available through financial intermediaries in the Member States. The programme will comprise guarantee and liquidity lines to be provided to banks in order to mobilise financing to borrowers as well as ABS purchasing scheme allowing banks to transfer risk on SME loans portfolios.

On 6 April EIF announced the new conditions of two programmes: COSME (Loan Guarantee Facility) and Horizon 2020 (InnovFin SME Guarantee). As part of these programmes, EIF provides guarantees or re-guarantees for financial institutions offering financial products for enterprises. The changes include the launch of special fixed-term "COVID-19" guarantee packages that will improve European enterprises' access to working capital financing, and modifications to the existing fundamental parameters of guarantee instruments enabling financial intermediaries to offer more flexible financing conditions.

Changes to the COSME programme

Under the COSME programme, which is dedicated to supporting SMEs (companies with up to 250 employees and turnover not exceeding EUR 50 million, or a balance sheet sum of up to EUR 43 million), an instrument called "COSME COVID-19", with a guarantee covering financing granted from 6 April to 31 December 2020, with the following parameters, was introduced:

- up to 80% secured by the guarantee (50% previously);
- the guarantee covers working capital financing (including financing in the form of subordinated loans, mezzanine facilities, lease-backs and bank guarantees);

[12] See the EBA statement dated 25 March 2020.

- the maximum cap rate (limit of EIF's liability under drawdowns under the guarantee, depending on the expected losses on the portfolio) has been increased 25% (the previous rate was 20%);
- the minimum level of risk incurred by a financial intermediary has been decreased to 10% (from the previous 20%);
- the maximum value of a loan covered by a guarantee is the equivalent of EUR 150,000, the minimum repayment term is 12 months, and the term of the guarantee is a maximum of 10 years;
- the guarantee covers only new transactions entered into from 6 April to 31 December 2020.

At the same time, EIF also made changes to the basic parameters of the COSME programme guarantee instrument, which will also apply after the end of the implementation of the "COSME COVID-19" instrument. Those changes include:

- a six-month extension of the availability period under COSME guarantee agreements;
- having the guarantee cover any losses incurred by the intermediary in respect of the deferral of repayments, changes to the repayments schedules or the introduction of credit holidays for the customer (under the conditions of the COSME guarantee, such cases will be considered a Transaction Restructuring);
- an extension of the maximum maturity of revolving transactions covered by the guarantee from five do nine years;
- in the case of a Transaction Restructuring effected in the period up to 31 December 2020, the guarantee covers compounded interest accrued up to 360 days (previously 90 days).

Changes to the Horizon 2020 programme

Under InnovFin SMEG of the Horizon 2020 programme, which was dedicated previously only to enterprises with up to 500 employees and currently also to "large midcaps" (from 500 to 3000 employees), the "InnovFin SMEG COVID-19" instrument has been introduced, with a guarantee covering financing granted from 6 April 2020 to 31 March 2021, with the following parameters:

- up to 80% secured by the guarantee (50% until now);
- the guarantee covers working capital financing worth up to EUR 7.5 million, granted to enterprises with more than 3000 employees (until now – under 500 employees);
- the minimum level of risk to be borne by the financial intermediaries has been decreased to 10% (20% until now);
- the innovation and digitization criteria based on which an enterprise qualifies to take advantage of the guarantee have been relaxed;
- the guarantee covers transactions entered into from 6 April 2020 to 31 March 2021, including refinancing of transactions already implemented that were covered by the InnovFin guarantee.

EIF also made changes to the parameters of InnovFin SMEG, which will also apply after the end of implementation of the "InnovFin SMEG COVID-19" instrument. Those changes include:

- the possibility of financing for enterprises with 500 to 3000 employees, so-called "large midcaps", being covered by the guarantee (previously only below 500 employees);
- having the guarantee cover any losses incurred by the intermediary in respect of a deferral of repayments, changes to the repayments schedule or the introduction of credit holidays for a customer;
- allowing the guarantee to cover bridge financing with a minimum transaction maturity of six months;
- extending the maximum maturity of revolving transactions covered by the guarantee from three to six years;
- in the case of restructuring or similar events concerning transactions with a customer entered into in the period up to 31 March 2021, the guarantee covers compound interest accrued up to 360 days (90 days until now).

The financing under the COSME and Horizon 2020 programmes can be taken advantage of through national financial intermediaries, i.e. banks, leasing firms, loan funds, etc., which have signed appropriate agreements with European institutions.

The first Polish transaction using an 80% guarantee under InnovFin SMEG COVID-19 took place at the end of June. Financing arranged by brokerage house CVI Dom Maklerski was used by a producer of steel elements for the automotive, machinery and mining industries, which thanks to the funding of PLN 25 million will be able to maintain financial liquidity.

In addition, on 26 May 2020 the EIB agreed on the structure and business approach of the new Pan-European Guarantee Fund (EGF) financed by the EU Member States andlaunched in order to support to SMEs, mid-caps and corporates to tackle the economic consequences of the Covid-19 pandemic.

The EGF will provide finance to companies that are viable in the long-term, but are struggling in the current crisis. At least 65% of the financing are earmarked for SMEs. A maximum of 23% will go to companies with 250 or more employees, with restrictions applying to larger companies with more than 3,000 staff. A maximum of 5% of the financing can go to public sector companies and entities active in the area of health or health-research or providing essential services related to the health crisis. Another 7% of EGF-supported financing can be allocated to venture and growth capital and venture debt in support of SMEs and midcaps.

According to the EIB, the EGF should mobilise up to EUR 200 billion of support to SMEs, mid-caps and corporates in the real economy

The EGF will become operational as soon as Member States accounting for at least 60% of EIB capital have signed their contribution agreements and a Contributors Committee has been set up.

European Bank for Reconstruction and Development (EBRD)

The EBRD's coronavirus Solidarity Package aims at providing crucial help to tackle the immediate COVID-19 related threats to short-term liquidity as well as preparing the economies for the post-virus times. The key element of the package is a Resilience Framework supporting the short-term liquidity and working capital requirements of the EBRD's existing clients and their affiliates. Another crucial part of the scheme is the expansion of the long-standing Trade Facilitation Programme, providing finance to safeguard the trade channels and supply routes. Other elements of the package include, among other things, fast-track restructuring schemes for distressed clients and a new Vital Infrastructure Support Programme (VISP). The programme will target all fields of economy, including financial institutions and SMEs. The benefitting sectors will include automotive and transport providers, agribusiness, medical supplies, tourism and hospitality.

It is worth noting that some elements of the package are being offered in cooperation with local institutions. By way of example, the Trade Facilitation Programme is generally available via local banks. The list of local institutions being part of the TFP scheme is available on the EBRD's website. A number of Polish banks are a part of the scheme as confirming banks, although no Polish institution is active as an issuing bank. Working capital lines (being one of three financing tools constituting the VISP) are also provided through local banks.

On 5 June 2020, EBRD announced that the first Polish company to receive support from the Solidarity Package is Pelion, the largest wholesale and retail pharmaceutical distributor in Poland and Lithuania. Pelion has been offered a PLN 110 mln (EUR 25 mln) loan. The financing will offer short-term liquidity that will allow the company to actively manage working capital needs across business lines.

The transaction with Pelion is the first of several projects under preparation in Poland since EBRD adopted a Solidarity Package to help its countries respond to the economic impact of the COVID-19 crisis.

CREDIT SUPPORT AND FINANCING PROGRAMMES OF POLISH STATE-OWNED INSTITUTIONS

Bank Gospodarstwa Krajowego (BGK, the Polish State Development Bank)

BGK manages over ten support programmes, including in particular:

De minimis guarantees

De minimis guarantees are a form of security for working capital facilities or investment facilities, available for micro, small and medium enterprises. This programme is already running. De minimis guarantees were available in BGK's offer before the COVID-19 pandemic, but this product has been modified to maximise the potential of this solution as part of the assistance to entrepreneurs negatively impacted by the epidemic. In particular, it has the following new features:

- The scope of available guarantees has been broadened to cover up to 80 per cent of the facility amount.
- No fee is payable for the first year of the guarantee period.
- Guarantees in respect of working capital facilities are now available for a period of up to 39 months, and in respect of investment facilities for up to 99 months.

- Guarantees will be available for companies which did not have any arrears in payments of taxes and social security contributions as at 1 February 2020.
- Applications are to be filed with the financing bank together with the application for the loan facility. The current list of financing banks cooperating with BGK in this programme includes more than 18 commercial banks.

Guarantees from the Liquidity Guarantees Fund (*Fundusz Gwarancji Płynnościowych*)

BGK has created a Liquidity Guarantees Fund dedicated to finance guarantees for medium and large enterprises affected by the COVID-19 pandemic. This programme is regulated in the Anti-crisis Act and was recently launched. Detailed eligibility criteria and parameters of available guarantees are published on the website of BGK. Selected key features of these guarantees include:

- Guarantees are distributed via lending banks that have a cooperation agreement with BGK. The guarantee itself will be granted by BGK. The current list of financing banks cooperating with BGK in this programme includes 19 commercial banks.
- A guarantee can cover up to 80 per cent of the facility amount, subject to further thresholds. As a rule, the amount of the guaranteed facility must not exceed PLN 250m. However, in relation to facilities maturing after 31 December 2020, the maximum amount of the facility must not exceed 200% of the aggregated annual salaries (of the borrower's own employees and persons working for the borrower but employed by its sub-contractors), or 25% of its turnover in 2019, or the its liquidity needs (based on its representation). In relation to facilities maturing before 31 December 2020, the facility amount can be higher than that if the borrower submits an appropriate justification.
- The guarantee amount is between PLN 3.5m and PLN 200m.
- Guarantees can only pertain to new working capital facilities (whether overdraft or revolving facilities, "credit lines" or a multipurpose/multiproduct facility) granted after 1 March 2020 or renewed after that date.
- Maximum period of the guarantee: 27 months (but not past the repayment date of the guaranteed loan plus 3 months).
- Purpose of the guaranteed facility: providing financial liquidity. BGK will not issue a guarantee for a facility granted to refinance pre-existing facilities or a facility already covered by another guarantee granted by BGK.
- The applicant must pass a "creditworthiness" test to be run by the lending bank pursuant to its internal rules and procedures. The lending bank will also carry out an analysis of the borrower's creditworthiness and the risk of payment default on behalf of BGK.
- Guarantees are available only for companies which were not distressed as at 31 December 2019 and did not have any payment arrears in relation to taxes, social security contributions or bank credits as at 1 February 2020. An applicant will not be eligible if its credit exposure was classified as "threatened" by the lending bank as at 31 December 2019.

- The guarantees are to be secured by the borrower's promissory note (*weksel własny*).
- Guarantees will be available until the end of 2020.

Currently the Polish Bank Association, with the support of a task force constituted by a panel of selected law firms, including Clifford Chance, is working to propose an optimal solution to combine the 'new' guarantee-covered financings with any pre-existing multilateral financings which the borrowers may have been using, into a joint structure.

'Biznesmax' guarantees

'Biznesmax' guarantees are a form of support available for micro, small and medium enterprises fulfilling certain innovations-related eligibility criteria or implementing projects qualifying for one of ten investment categories with a so-called 'ecological effect'. In principle, a 'Biznesmax' guarantee is a form of security for facility repayment, granted by BGK for no consideration. The guarantee itself can be accompanied by a subsidy refunding the interest payments made in relation to the guaranteed loan. This programme is already running and currently BGK is introducing certain changes in order to increase its positive impact. The changes will include, among other things, the following features:

- the guarantees will be granted in relation to working capital facilities, including overdrafts, used for liquidity purposes by innovative and 'ecologically efficient' companies;
- the guaranteed renewable facilities do not have to be linked to a specific investment project (whether finalised or in progress) and will be granted in a simplified procedure (e.g. with no need to submit financial and accounting documents to the bank).
- interest subsidies on loans may also be available.

The guarantees will continue to be granted on the basis of updated rules until the end of 2020. The current list of financing banks cooperating with BGK in the enhanced 'Biznesmax' guarantees' programme includes sixteen commercial banks.

Interest subsidies on credit facilities

BGK is participating in a programme of interest subsidies on credit facilities granted by commercial banks. The aggregate volume of the programme will be PLN 270m per year in 2020 and 2021. A legal framework has been set in the Act on Interest Subsidies on Bank Loans. The subsidies will be funded from a Liquidity Guarantees Fund dedicated to this purpose which has been established within BGK based on the Act. The main features of this programme are:

- the programme is addressed to entrepreneurs (notwithstanding the size of their businesses) who as at 31 December 2019 did not meet the test of an "undertaking in difficulty"[13] and who have lost financial liquidity or are threatened with its loss in connection with the COVID-19 pandemic;
- an applicant must pass a "creditworthiness" test to be run by the lending bank; however, the loss of liquidity (or a threat of such a loss) shall not

[13] The 'undertaking in difficulty' as defined in Article 2.18 of Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty.

disqualify the application provided that this shall be considered as a temporary circumstance that will disappear after the subsidised loan is granted;

- subsidies are available in relation to working capital facilities (whether renewable or non-renewable) granted in PLN based on facility agreements concluded after the new act enters into force or before that date, provided that their terms will be adapted to meet the requirements of the Act; facility agreements covered by the programme may be concluded until 31 December 2020;
- the interest rate on the subsidised facilities must not be higher than the average interest rate of other working capital loans granted by the respective bank;
- subsidised facilities must be granted in order to ensure financial liquidity that has been lost or is threatened in connection with the COVID-19 pandemic;
- subsidised facilities will be offered via Polish banks or branches of foreign banks with which BGK is to enter into cooperation agreements (more than six banks have already concluded an agreement with BGK, and more banks are discussing);
- the period for which subsidies would be granted should not exceed 12 months; the sum of the subsidy will be equivalent to two percentage points (if granted to a micro firm or an SME) or one percentage points (if granted to a larger firm).

BGK intends to distribute interest subsidies amounting to PLN 565M, which should generate credit facilities amounting to PLN 20-30bn.

It is possible to benefit from the subsidies jointly with other means of support offered by BGK, e.g. it is possible to secure a subsidised loan with a *de minimis* guarantee (in case of an SME) or with a guarantee from the Liquidity Guarantees Fund (in case of medium and large enterprises).

Support with the use of EU funds

The Ministry of Funds and Regional Policies is in advanced discussions with the European Commission in relation to the shift of certain funds from the 2014-2020 financial perspective towards support of companies, in particular micro-enterprises and SMEs (although large enterprises may be eligible, too). This shift will allow EU funds to be applied to finance working capital and to offer EU-funded aid to distressed companies (to date, this has not been possible), provided that the beneficiary was not financially distressed as at 31 December 2019 and its subsequent financial distress is attributed to the outbreak of the COVID-19 pandemic[14]. BGK is cooperating with the Ministry in order to fully implement this concept into BGK's product offer. A number of products is already available. The package includes, for example:

- a facility for technological innovations (which is already available but will be made easier to obtain and more attractive, e.g. the "technological bonus" will be increased to PLN 6m),

[14] Detailed conditions and eligibility criteria are set out in the Ordinance of the Minister of Funds and Regional Policies of 14 April 2020 on the Grant of Aid From Financial Instruments Within Operating Programmes for 2014-2020 in Order to Support the Polish Economy in Connection with the Outbreak of the COVID-19 Pandemic.

- a support programme and liquidity loans for companies from the social economy sector. The liquidity loans will be granted for a period of up to 4 years, with an interest rate of 0.1 per cent. p.a. and with up to 12-month deferral of principal repayment;
- liquidity loans within the Programme of Intelligent Development, dedicated to cover costs of day-to-day operations and ensure liquidity of the beneficiaries. The loans will be granted for the period of up to six years with the interest rate of zero per cent. and with up to 6-month deferral of principal repayment. The loans will be granted until the end of 2020;
- so-called broadband loans (*pożyczki szerokopasmowe (POPC – Program Operacyjny Polska Cyfrowa (eng. Operational Programme Digital Poland))),* which were also available in BGK's offer prior to the COVID-19 pandemic. Several changes have now been included to the terms of the loans, including the option of up to 6-month deferral of principal repayment, lowered interest (even down to 0 per cent p.a.) and no requirement to provide equity contribution;
- so-called European loans – a support package for micro, small and medium enterprises (including 6-month deferral of principal repayment, lowered interest on loans and a freeze on any default interest on arrears caused by the COVID-19 crisis).

<u>Support with the use of domestic funds</u>

BGK in cooperation with the Minister of Funds and Regional Policies has established a programme of loans which specifically aims to support the development of tourism in the eastern parts of Poland. The programme is addressed mainly to micro, small and medium enterprises and had already been established prior to the epidemic. It has recently been modified so as to amplify its advantageous effect. The changes include the following features:

- new loans may be granted with no own equity contribution;
- interest on new and existing loans can be lowered by up to 50% at the request of the borrower; and
- the loan can be utilised in full for the day-to-day operation of the borrower's enterprise.

The loans will be granted on the basis of the updated rules until the end of 2020.

Furthermore, starting from 1 March 2020, BGK offers a loan on new terms within the framework of the "*First Business – Support at the Start*" programme (in Polish: "*Pierwszy Biznes – Wsparcie w Starcie*"). The programme is addressed to natural persons planning to start their business. New terms include, i.a., deferral of principal repayments, prolongation of maturity date and lowered interest rates.

State guarantee on factoring products

On 23 July 2020 the European Commission approved a €2.6 billion (PLN 11.5 billion) Polish scheme to support companies affected by the COVID-19 outbreak in the form of a state guarantee on factoring products.

The scheme will be implemented by BGK.

Factoring is a financial service providing liquidity to the real economy as it involves the payment of invoices before their final due date. It is an alternative source of working capital for companies to bank loans.

Under the scheme, guarantees will be available both for recourse factoring and for reverse factoring:

Recourse factoring is a product whereby the seller of a good or service (the "factoree") receives immediate payment of an invoice from the factoring company at a small discount. The factoring company will in turn be paid by the buyer at the payment date indicated on the invoice. In case of non-payment, the factoring company has the right of recourse to the factoree as it would have in case of any ordinary loan.

Reverse factoring is a means of supply chain financing. In this instance, the "factoree" is the buyer of a product or service while the seller can be an indirect beneficiary in the form of earlier payment. In case of default, the factoring company also has a right of recourse towards the factoree so that the transaction is equally comparable to a normal loan.

The scheme of state guarantee on factoring products will be open to enterprises of all sizes.

ARP – Agencja Rozwoju Przemysłu (Agency of Industrial Development)

ARP is a state-owned agency supporting the development of Polish companies and industry by offering a variety of financial products. Its products already include, inter alia, working capital loans and investment loans.

The Act on Special Instruments of Support envisages a new programme to be administered by ARP, comprising loans and other debt instruments, guarantees, leasing and other financial instruments to be offered on favourable but still "market" terms to distressed but not yet insolvent entrepreneurs. This programme will be funded from additional funds to be provided by the State (up to PLN 1.7 billion in 2020) or from EU funds. Key principles have been included in the Act and more detailed description of the products has recently been published on ARP's official website. The purpose of the programme is to mitigate the economic effects of the pandemic by providing liquidity to beneficiaries for the duration of the state of epidemic or threat of epidemic and a subsequent period of 12 months, which implies that this is short- to mid-term funding. The exact purpose of financing must be set out in the agreement between ARP and the beneficiary, and it is expressly prohibited for the beneficiary to use the financing to repay its liabilities to shareholders and group members. One of the pre-conditions for obtaining this financing is that the beneficiary must make representations as to its financial condition and present a business plan.

The programme is mainly addressed to mid-sized businesses (annual revenue of at least PLN 4m). The law does not determine eligibility criteria by reference to specific sectors or businesses, however certain measures within this programme have been dedicated specifically to the transportation sector. Starting from 6 May 2020, all formalities, including the filing of an application and signing of the agreement, can be dealt with online.

New products dedicated to supporting companies during COVID-19 hardships include:

- a working capital loan of PLN 800k up to PLN 5m for financing working capital deficit;

- a working capital loan designated to finance employees' salaries;
- a specialized leasing product addressed to the transportation sector, comprising an operating lease with payment deferral to refinance existing leases contracted from commercial lessors (financing of up to PLN 5m for up to 6 years, with a grace period of up to 12 months);
- operating lease of machinery and devices from Polish suppliers and authorised branches of selected foreign suppliers.

It is also worth mentioning that ARP is engaged in the financing of distressed enterprises (also in restructuring processes) within its standard (pre-pandemic) range of products. ARP's restructuring offer is addressed to large enterprises. Financing can be granted for the period of 3-7 years, in the amount of PLN 2m up to PLN 40m. The margin varies between 1.5 per cent p.a. and 6.0 per cent. p.a.

The Financial Shield managed by PFR – Polski Fundusz Rozwoju (Polish Development Fund)

The Polish government has developed a separate aid programme called the "Financial Shield" to be managed by PFR based on the Act on the System of Development Institutions (as recently amended). Key principles have been announced and included in the "Anti-crisis Guide for Entrepreneurs" published by PFR.

The Financial Shield is addressed to all businesses notwithstanding their size, although the terms and principles of available financial aid are different for micro-, small and medium-sized entrepreneurs than those for "large firms" (defined as firms employing at least 250 employees on a group level, with consolidated turnover exceeding EUR 50m or total assets exceeding EUR 43m)[15]. The aggregate value of funds allocated within the Financial Shield to micro entrepreneurs is PLN 25 billion, to SMEs – PLN 50 billion, and to large firms – PLN 25 billion.

The Financial Shield includes PFR's support granted either on market terms or as a state aid scheme and, as such, it was notified to the European Commission.

On 27 April 2020, the European Commission granted its consent to the commencement of the programme for micro, small and medium-sized enterprises. The consent was the last step required before the launch of this part of the scheme, and applications started to be accepted via online banking systems on 29 April 2020. The programme attracted great interest from the entrepreneurs. As announced on 3 August 2020, over PLN 60billion of subsidies have already been distributed to over 345,000 small and medium firms employing over 3m employees. The deadline for submission of applications by micro, small and medium-sized enterprises passed on 31 July 2020, however PFR will still consider any appeals (*odwołania*) and supplementary submissions (*zgłoszenia wyjaśniające*) relating to the applications made before the deadline.

On 9 June 2020, PFR launched the process for applications under the Financial Shield for Large Firms. Support measures under the Financial Shield for Large Firms can be applied for by completing the form available on

[15] Exceptionally, an SME employing 10 to 249 employees can benefit from the same terms as large firms if the financing gap (calculated based on financial forecasts by reference to estimated lost profits and deterioration of liquidity) related to the decrease in revenues caused by the COVID-19 epidemic exceeds PLN 3.5m and the requested financing relates to a sector programme related to COVID-19.

the PFR's website at www.pfrsa.pl/tarcza250. Applications are to be examined on the basis of an internal ranking based on transparent criteria such as the undertaking's importance for employment, subcontractors, the sector, and the region, with consideration for the urgency of the application in light of its liquidity situation. The financing within the Financial Shield for Large Firms may be disbursed by PFR until 31 December 2020 unless all available funds are utilised earlier.

Investment decisions related to PFR's Financial Shield are made by the PFR's Programme Financing Committee, half of which is composed of independent members with many years of professional experience. PKO Bank Polski S.A. acts as a partner under the PFR's Financial Shield for Large Firms and is responsible for the servicing of settlements relating to financing agreements.

The scheme is being funded by way of bonds issued by PFR to Polish or foreign investors and potentially it will be supported, to the extent necessary, by direct funding from the state budget. PFR has already issued bonds worth PLN 62 billion. All such “coronabonds” – so called because of the designation of the proceeds – have been purchased by institutional investors and, on 28 May 2020, had their debut on the Catalyst market. PFR has announced further bond issues.

Eligibility criteria

PFR has published a number of eligibility criteria that companies applying for support must meet. Those relating to large companies include, in particular:

- the beneficiary carried out its activity as at 31 December 2019 and on that date (or on the date the financing is granted) had no arrears in respect of taxes or social insurance contributions;
- the beneficiary must not be subject to any bankruptcy, liquidation or restructuring proceedings;
- the beneficiary experiences a decline in turnover (revenue on sales) by at least 25% in any month after 1 February 2020 compared to the previous month or the corresponding month of the previous year, or suffers from other epidemic-related conditions (for example, the company cannot produce goods or provide services due to shortages of components or resources as a result of the epidemic or the company does not have access to the capital markets or credit to finance new contracts due to financial markets disruption) or is a participant of a Sector Programme related to COVID-19 (i.e. a programme relevant to COVID-19, for example in the form of a medical technology funding programme); and
- the beneficiary must be a tax resident of the European Economic Area and must be registered in Poland, and its ultimate beneficial owner must not have its tax residency in any "tax heaven" (however, PFR may decide to offer support if the beneficiary and/or its beneficial owner undertake(s) to transfer their/its tax residency to the European Economic Area within nine months from the time the funding is granted).

  Apart from the above, there are further eligibility criteria detailed in the Rules of the PFR's Financial Shield for Large Firms[16].

[16] See the Rules, https://pfrsa.pl/dam/serwis-korporacyjny-pfr/documents/tarcza-finansowa-pfr-250/Regulamin_programu_Tarcza_Finansowa.pdf.

Instruments of support

For micro, small and medium-sized entrepreneurs, the basic instrument of financial support are returnable subsidies, with the possibility of cancellation of up to 75 percent after 12 months, provided that throughout this period the beneficiary continues its business activity and maintains the level of employment (precise terms and conditions are set out in the Anti-crisis Guide for Entrepreneurs).

The Financial Shield for large firms is split into three separate sub-schemes as follows:

- the "Liquidity Shield for Large Firms", worth in aggregate PLN 10 billion, whereby PFR will grant loans, take up bonds, issue guarantees or acquire receivables. The tenor of financing will be up to two years (one-year extension available). The financing may be subordinated, but will be subject to a cash sweep mechanism if the beneficiary's financial condition improves. The financing may be convertible to other debt instruments or to equity;
- the "Financial Shield for Large Firms", worth in aggregate PLN 7.5 billion, whereby PFR will grant preferential loans for a period of up to three years (one-year extension available). The loan amount will not exceed a forecasted liquidity gap attributed to the COVID-19 pandemic and no more than PLN 750m. This financing is partially non-returnable, i.e. the obligation to repay up to 75 percent of the principal may be waived subject to certain conditions to be included in the loan agreement, such as:
  - the amount waived will be capped by reference to the accumulated loss on sales incurred over a period of 12 months (starting no earlier than 29 February 2020 and ending no later than 30 June 2021);
  - the beneficiary may be obliged to maintain an agreed level of employment; and
  - the waiver will not be granted if the beneficiary is declared bankrupt or becomes subject to any insolvency, liquidation or restructuring proceedings;
- the "Capital Shield for Large Firms", worth in aggregate PLN 7.5 billion, whereby PFR will provide funding by way of equity instruments (such as shares, stocks, subscription warrants, or convertible bonds or loans), to be acquired by PFR either:
  - on market terms, in the amount of up to PLN 1 billion, in which case PFR may not be the single investor and its participation should not exceed 50 percent of the relevant financing unless the "private investor test" is passed; or
  - as part of state aid, in which case the maximum amount of financing granted by PFR must not exceed the beneficiary's financial loss resulting from the COVID-19 pandemic.

Importantly, each large firm request PFR to grant a financing combining these three schemes, i.e. a liquidity loan, a preferential loan and capital (equity) instruments.

In order to become eligible for the PFR support, entrepreneurs should be prepared to provide information necessary for credit analysis and, in respect of equity investments, due diligence.

KUKE - Korporacja Ubezpieczeń Kredytów Eksportowych (Export Credit Insurance Corporation)

The Anti-crisis Act introduced amendments to the Act on Export Insurance Guaranteed by the State Treasury, which are of particular importance to exporters and financial institutions involved in the financing of export contracts. Under the amended rules, export insurance offered by KUKE is available not only in relation to export credits but also to other contracts or actions aimed at financing export contracts, contracts of subsidiaries or direct investments abroad, such as bank credit and loan facilities, guarantee and L/C facilities, the acquisition or underwriting of issues of debt securities (in particular bonds), purchase of receivables and leasing.

Certain key requirements conditioning the granting of insurance by KUKE have been liberalised. For example, the requirement that products and services should be Polish has been abolished in the case of facilities for up to two years, provided that this is in the interests of the Republic of Poland.

The amended rules allow KUKE to enter into a direct agreement with an exporter that is applying for financing to be covered by the export insurance granted by KUKE. Such an agreement would, among other things, impose on the exporter information undertakings related to the performance of the export contract and an undertaking to comply with applicable statutory requirements. It would also provide for the rules of the exporter's civil liability to KUKE for, among other things, bribery committed in connection with the conclusion of the export contract. A breach of such an agreement by the exporter cannot constitute grounds for KUKE to refuse to pay compensation to the institution providing the financing.

It is also worth noting that the changes of law mentioned above have enabled KUKE to broaden the scope of insurance coverage to 100 percent of both commercial and political risk for all new export projects with credit repayment terms of two and more years. New products (KUKE GAP EX and KUKE GAP EX+) are already available. They relate to export contracts to the EU and OECD member states, and cover in particular commercial and political risks, force majeure (including the pandemic) as well as non-payment by a public contactor.

Trade credit insurance

On 16 July 2020, the Sejm adopted a bill concerning the support to be provided to the market for trade credit insurance to counteract the economic effects of COVID-19 and referred it to the second chamber of the parliament, the Senate.

The solution proposed by the Government provides for the State Treasury's assuming part of the credit risk related to trade credit insurance pursuant to an agreement with an insurance company. The purpose of this solution is to avoid the limitation or elimination by insurance companies of exposure to specific sectors, counterparties or markets, owing to the deterioration of the economic situation. At the same time, the State Treasury will be able to influence, through relevant provisions of reinsurance agreements, the risk assessment policy of insurance companies. As a result, the reinsurance of a portfolio may be subject to a condition that credit limits granted to Polish entrepreneurs be maintained at a level close to the one in the period preceding the outbreak of the COVID-19 epidemic.

The proposed solutions will be addressed to: (i) entrepreneurs conducting business activity in Poland, consisting in the sale of goods and services with deferred payment date; (ii) Polish and foreign counterparties purchasing goods and services with deferred payment date from entrepreneurs from the first group; (iii) insurance companies offering insurance of receivables; and (iv) factoring companies and banks offering non-recourse factoring. The assignment of risk is to cover the insurance of receivables arising both from transactions concluded in Poland and from export transactions. Under the bill, receivables covered by the regulation will pertain to agreements with counterparties having their registered office or place of central administration in countries where the risk is temporarily non-marketable[17], i.e. all Member States and the United Kingdom, Australia, Canada, Iceland, Japan, New Zealand, Norway, Switzerland, United States of America. Therefore, this regulation does not cover counterparties from countries with the highest risk – irrespective of the current crisis – in which increased political risk can be observed. The assumption of risk pertains to trade receivables which are documented with an accounting document issued in accordance with the applicable provisions of law or a final and binding court judgment and with a due date of less than two years.

The State Treasury's share in risk in respect of a compensation payment will be 80% until the amount of compensation paid by the insurance company covered by the above-mentioned agreement, less the amounts obtained from recourse, reaches the equivalent of 243.75% of the gross premium written by the insurance company under trade credit insurance in 2019. Meanwhile, the share of the State Treasury in compensation paid, in the collected insurance premium due to the company and the amounts recovered by the insurance company in recourse proceedings will be equivalent. In the event of payment of compensation of 243.75% - 375% of the gross premium written for the previous year, the State Treasury's share in compensation paid would increase up to 100% of the value of this compensation and, similarly, the insurance company would pay the State Treasury all amounts recovered as a result of recourse in relation to this compensation. The State Treasury's obligation will not exceed the amount equivalent to 375% of the gross written premium of the insurance company under trade credit insurance provided in 2019.

The State Treasury will be entitled to (i) an 80% share of the collected premium due to the insurance company for covering trade receivables with insurance protection; (ii) a share in the amounts obtained by the insurance company as a result of recourse proceedings pertaining to trade receivables, which are proportional to the State Treasury's share in compensation paid in relation to a relevant trade receivable. For managing the trade credit insurance portfolio, the insurance company will be entitled to a commission from the State Treasury equivalent to 28% of the collected insurance premium for covering trade receivables with insurance protection.

While the bill awaits its reading in the Senate, the Government is still developing a support programme for the trade credit insurance market (the bill provides for the development of such a programme), which will cover detailed

[17] See: Annex to the Communication from the Commission to the Member States on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to short-term export-credit insurance.

conditions and the modalities of the State Treasury's participation in the planned support instrument.

EXECUTIVE SUMMARY – SUPPORT MEASURES OFFERED TO LARGER FIRMS

Instruments offered by BGK (to be distributed via lending banks that have a cooperation agreement with BGK)		
Instrument	**Guarantees from Liquidity Guarantees Fund**	**Interest subsidies on credit facilities**
Key features	• A guarantee can cover up to 80 per cent of the facility amount, subject to further thresholds. • The amount of a single guarantee will be between PLN 3.5m and PLN 200m. • Maximum period of the guarantee: 27 months (but not past the repayment date of the guaranteed loan plus 3 months). • Guarantees will be granted until the end of 2020. • The guarantee covers the unpaid principal of the facility, excluding interest, commissions and other costs.	• A programme of interest subsidies on credit facilities granted by commercial banks. • The aggregate volume of the programme will be PLN 270m per year in 2020 and 2021. The period for which subsidies would be granted will not exceed 12 months. • the sum of the subsidy will be equivalent to two percentage points (if granted to a micro firm or an SME) or one percentage points (if granted to a larger firm).
Beneficiaries	• Medium and large enterprises established in Poland	• Entrepreneurs active in Poland (irrespective of their size and nationality, active in all markets' sectors)
Key eligibility criteria	• A "creditworthiness" test to be run by the lending bank pursuant to its internal rules and procedures. The lending bank will also carry out an analysis of the borrower's creditworthiness and the risk of payment default on behalf of BGK. • Available only for companies which were not distressed as at 31 December 2019 and did not have any payment arrears in relation to taxes, social security contributions or bank credits (exceeding PLN 3k for more than	• A "creditworthiness" test to be run by the lending bank (however, lack of liquidity or a threat thereof will not disqualify the application, provided that the lack of liquidity (or threat thereof) will be remedied by the granting of the subsidized loan; • Addressed to entrepreneurs who as at 31 December 2019 did not meet the test of an "undertaking in difficulty" and who have lost financial liquidity or are threatened with its loss in connection with the COVID-19 pandemic.

	30 days) as at 1 February 2020. An applicant will not be eligible if its credit exposure was classified as "threatened" by the lending bank as at 31 December 2019. • There are no negative entries relating to the applicant in the Bank Register ("*Bankowy Rejestr*"), Credit Information Office ("*Biuro Informacji Kredytowej*") or other registry as of 1 February 2020. • Purpose of the guaranteed facility: providing financial liquidity (BGK will not issue a guarantee for a facility granted to refinance pre-existing facilities or a facility already covered by another guarantee granted by BGK). • The amount of the guaranteed facility must not exceed PLN 250m (however, in case of facilities with maturity falling before 31.12.2020, in justified cases, higher amounts can be considered). • Guarantees will only cover new working capital facilities (whether overdraft or revolving facilities, "credit lines" or a multipurpose/multiproduct facility) granted after 1 March 2020 or renewed after that date.	• Applicable to working capital facilities in PLN. • Facility agreements covered by the subsidy to be concluded until 31.12.2020. • The subsidised loan must be granted to ensure financial liquidity which has been lost or threatened in connection with the COVID-19 pandemic.
Status	• The programme has been approved by the European Commission and is up and running; • Applications should be submitted via the lending banks which have the agreement with BGK;	• The programme is being launched (the act setting up its framework was published on 23 June; BGK has entered into cooperation agreements with more than six banks, and discusses with more banks that will offer subsidized loans to their clients)

<table>
<tr><th colspan="4">Instruments offered to large firms by PFR within the Financial Shield</th></tr>
<tr><th>Instrument</th><th>"Liquidity Shield for Large Firms"</th><th>"Financial Shield for Large Firms"</th><th>"Capital Shield for Large Firms"</th></tr>
<tr><td>Key features</td><td>loans, factoring arrangements, bonds and guarantees;
tenor up to two years (one-year extension available);
may be subordinated, but will be subject to a cash sweep mechanism if the beneficiary's financial condition improves;
may be convertible to other debt instruments or to equity;</td><td>preferential loans up to the amount not exceeding a forecasted liquidity gap attributed to the COVID-19 pandemic and no more than PLN 750m;
tenor up to three years (one-year extension available);
partially non-returnable, i.e. the obligation to repay up to 75 percent of the principal may be waived subject to certain conditions to be included in the loan agreement;</td><td>equity instruments (such as shares, stocks, subscription warrants, or convertible bonds or loans);
equity instruments to be acquired either (i) on market terms (in which case PFR may not be the single investor and its participation should not exceed 50 percent of the relevant financing unless the "private investor test" is passed) or (ii) as part of state aid (in which case the maximum amount of financing granted by PFR must not exceed the beneficiary's financial loss resulting from the COVID-19 pandemic);</td></tr>
<tr><td>Beneficiaries</td><td colspan="3">large companies (defined as firms employing at least 250 employees on a group level, with consolidated turnover exceeding EUR 50m or total assets exceeding EUR 43m);
exceptionally, an SME employing 10 to 249 employees if the financing gap (calculated based on financial forecasts by reference to estimated lost profits and deterioration of liquidity) related to the decrease in revenues caused by the COVID-19 epidemic exceeds PLN 3.5m and the requested financing relates to a sector programme related to COVID-19;</td></tr>
<tr><td>Key eligibility criteria</td><td colspan="3">the beneficiary must be a tax resident in an European Economic Area (EEA) country, registered in Poland and its ultimate beneficial owner is not a tax resident in "tax havens" (however, PFR may decide to offer support if the beneficiary and/or beneficial owner undertakes to transfer its tax residency to the EEA within nine months);
the beneficiary carried out its activity as at 31 December 2019 and on that date (or on the date the financing is granted) had no arrears in respect of taxes or social insurance contributions;
the beneficiary must not be subject to any bankruptcy, liquidation or restructuring proceedings;</td></tr>
</table>

	• the beneficiary experiences a decline in turnover (revenue on sales) by at least 25% in any month after 1 February 2020 compared to the previous month or the corresponding month of the previous year, suffers from other epidemic-related conditions or participates in programs aimed at averting the COVID-19 pandemic; and • the beneficiary does not operate in certain businesses not supported by PFR.
Status	• Support measures for large firms became operational on 9 June. • Support measures can be applied for by completing the form available on the PFR website at www.pfrsa.pl/tarcza250. • Key principles have been announced and included in the "PFR Anti-crisis Guide for Entrepreneurs", and detailed rules are set forth in PFR regulations available at www.pfrsa.pl.

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