



Coronavirus: Federal Council adopts emergency ordinance on granting of credits with joint and several federal guarantees

Bern, 25.03.2020 - During its extraordinary meeting on 25 March 2020, the Federal Council addressed the issue of liquidity assistance for SMEs, which should have rapid access to credit facilities to bridge liquidity shortfalls caused by the new coronavirus pandemic. Companies are advised to apply for the credit facilities at their main bank. Facilities will be secured by the Confederation. The corresponding ordinance enters into force on 26 March 2020, from which date credit applications can be submitted.

Last Friday, 20 March 2020, the Federal Council presented a comprehensive package of measures to cushion the economic impact of the coronavirus pandemic. Bridging credit facilities should provide companies with sufficient liquidity to cover their current overheads despite turnover reductions associated with the new coronavirus. These are in addition to the measures already approved by the Federal Council in the area of short-time working and COVID-19 loss of earnings compensation to cover wage costs. The ordinance now adopted by the Federal Council includes a bridging programme worth CHF 20 billion for liquidity shortfalls.

A quick and straightforward process

Affected companies can apply to their banks for bridging credit facilities representing a maximum of 10% of their annual turnover and no more than CHF 20 million. Certain minimum criteria must be met. In particular, the company must declare that it is suffering substantial reductions in turnover because of the COVID-19 pandemic.

Credits of up to CHF 500,000 will be fully secured by the Confederation, and will be paid out quickly and with the minimum of bureaucracy. Zero interest will be charged. The credit

application form will be available on the website "covid19.easygov.swiss" from Thursday, after the ordinance enters into force.

Bridging credits that exceed CHF 500,000 will be secured by the Confederation to 85% of their value; the lending bank will secure the remaining 15%. Each company can obtain a credit of this type for up to CHF 20 million, which means a more rigorous bank review will be required. The interest rate on these credits is currently 0.5% on the loan secured by the Confederation. Companies with a turnover of more than CHF 500 million are not covered by this programme.

As many SMEs only have a bank account with PostFinance, the Federal Council has made it possible for PostFinance to also be able to provide its business clients with unbureaucratic access to credit facilities of up to CHF 500,000. This does not exempt PostFinance from the ban on providing credit facilities, rather it is a temporary measure as part of this programme.

Credits should be easily, quickly and simply accessible to all those concerned as of tomorrow, Thursday, 26 March 2020. On 23 March 2020, the Finance Delegation (FinDel) approved a guarantee credit of CHF 20 billion. Ensuring the stability of the Swiss economy remains the FDF's top priority.

The Swiss Financial Market Supervisory Authority (FINMA) and the Swiss National Bank (SNB) support the Federal Council's liquidity package and are rolling out additional measures of their own.

With this straightforward measure, the Federal Council is supporting tens of thousands of Swiss SMEs with their most urgent liquidity needs. The Federal Department of Finance continues to monitor the situation closely, in close cooperation with the EAER, FINMA, the SNB and the banks.

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Links

[Verordnung über die Gewährung von Krediten und Solidarbürgschaften in Folge des Coronavirus](#)

<https://covid19.easygov.swiss>
[COVID19 Überbrückungshilfe](#)

Publisher

The Federal Council

<https://www.admin.ch/gov/en/start.html>

Federal Department of Finance

<https://www.efd.admin.ch/efd/en/home.html>

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