

## Term Sheet COVID-19-Loan Plus

Swiss Federal Emergency Ordinance dated March 26, 2020 with respect to the provision of loans guaranteed by joint security in connection with the Corona pandemic

<b>Purpose</b>	<ul style="list-style-type: none"> <li>– prevent mass dismissals</li> <li>– secure continued payment of wages</li> <li>– prevent liquidity shortages</li> <li>– bridge loan to cover fixed costs</li> </ul>
<b>Beneficiaries</b>	Self-employed persons and businesses (sole proprietorships, partnerships, and corporations) that are domiciled in Switzerland, whose annual turnover is not higher than CHF 500 million and who have a company identification number (UID).
<b>Covid-19-Loan</b>	CHF 500,000 up to CHF 20 million.
<b>Loan Amount</b>	<p><u>Principle</u>: maximum 10% of the applicant's gross turnover generated in 2019.</p> <p>Unless the financial statements 2019 are approved, the assessment is based on the provisional financial statements 2019.</p> <p>If the provisional financial statements 2019 are unavailable, the assessment is based on the financial statements 2018.</p> <p>In case of businesses formed January 1, 2020 or later, the assessment is based on an estimated annual turnover of three times the total net salary amount of one business year, the minimum being CHF 100,000, and the maximum CHF 500,000.</p>
<b>Interest rate</b>	0.5 % p.a. on 85% of the loan which is guaranteed by the Swiss Confederation. The interest rate on the non-guaranteed portion of the loan (15%) must be negotiated with the bank on a case by case basis.
<b>Bank fees</b>	None
<b>Amortization</b>	<p>Within 5 years (60 months)</p> <p>In case of hardship, within 7 years (an extension of 2 years is possible)</p>
<b>Collateral</b>	85% of the COVID-19-Loan Plus is fully guaranteed by the Swiss Confederation. The bank bears the risk for the remaining 15% of the loan. The bank can, therefore, require that the applicant provide security for the unsecured portion of the loan.
<b>Conditions</b>	<p>The applicant</p> <ul style="list-style-type: none"> <li>– was established/incorporated in Switzerland before March 1, 2020;</li> </ul>

- suffers considerable economic loss due to the COVID-19 pandemic, particularly in terms of turnover;
- is financially sound, i.e. the applicant is not affected by bankruptcy, composition or liquidation proceedings; and,
- if the applicant is a company, has a company identification number (UID).

**Limitations**

During the term of the loan, the applicant may not

- pay dividends and contributions in cash (*Kapitaleinlagen*);
- refinance private or shareholders' loans;
- re-pay intra-group loans; or
- transfer the COVID-19 Loan Plus to direct or indirect affiliated group companies abroad.

**Documentation**

Fill out the application form provided by the Swiss federal government which is available under the following link: <https://covid19.easygov.swiss>.

**Deadline**

The signed application form must be filed with the applicant's bank no later than July 31, 2020.

**Solvency audit**

Customary credit check (credit capacity and rating), taking into account, however, that 85% of the loan is guaranteed by the Swiss Confederation (which substantially reduces risk for the bank). Unless the result of the credit check is negative, the credit application is forwarded to the joint security organization (*Bürgschaftsorganisation*).

**Bank**

Swiss bank with which the applicant already has a business relationship.

**Availability**

The loan is paid out to the applicant after (i) the loan application has been filed with the bank, (ii) the bank has forwarded it to the joint security organization (*Bürgschaftsorganisation*) and (iii) once the joint guarantee has been issued by the joint security organization.

(March 2020)

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