

# COVID-19: PRESSURE POINTS: FINANCIAL SUPPORT FOR BUSINESSES ON STATE LEVEL (GERMANY)

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Legal Briefings

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With respect to the aid for the German economy, the government is deploying the largest assistance package in the history of the Federal Republic. In this way, it is building a protective shield for businesses, self-employed people, and employees. To find more information on the German Government's response and the federal level measures please click [here](#).

Since businesses differ from each other, there are several different measures targeted at freelancers, small businesses, medium sized and big companies, for more detailed information please click [here](#) and [here](#). In addition to such federal measures, each German state may provide additional aid for their economy, which has to be assessed in conjunction with the federal programmes.

**FAST, VERY EXTENSIVE SUPPORT FOR SMALL BUSINESSES, SELF-EMPLOYED INDIVIDUALS AND FREELANCERS**

The Federation is setting up a EUR 50 billion immediate assistance programme (*Soforthilfe*) to support small businesses, freelancers, and the self-employed. These funds will be used to provide one-time grants to cover operating costs for three months. The grants do not have to be paid back and are designed to involve as little red tape as possible. This federal programme supplements other programmes that have already been adopted by the German states (see below). For this reason, state-level authorities (as opposed to federal authorities) will be responsible for handling all applications – for both federal and state-level programmes – in order to ensure uniform procedures. However, since the Federal programme for immediate financial assistance has become available, some states have stopped their own programmes and have consolidated these with the federal one.

The states have already announced which specific authorities are responsible for processing applications in each respective state in relation to the federal aid. The federal immediate assistance programme provides for the following grants:

- Self-employed persons and businesses with up to five employees will receive up to EUR 9,000;
- Self-employed persons and businesses with up to 10 employees will receive up to EUR 15,000;
- Self-employed persons will be given easier access to basic income support (*Grundsicherung*) to ensure that they can support themselves and pay for housing. Means-testing procedures will be suspended for six months, and payments are to be disbursed very quickly.

We note that the Federal government is currently discussing further measures to help facilitating that financial aid will reach the business in a fast and efficient way, and in fact financial aid has been paid to businesses within a few days after applications had been submitted.

#### Germany – State level:

Germany is a federation, it consists of sixteen separate states. The sixteen German states have worked in parallel to the federal government and have implemented their own economic aid programmes, which are funded from their own budget.

While there are some differences in the details of each state programme, which we briefly describe in the list below, the overall approach is similar: the state programmes mainly aim to provide financial aid for self-employed people and small businesses, though we note that one of the sixteen states did not provide their own budget for direct financial aid, but distributes such financial aid as provided for by the federal government, and others consolidated their own programmes for immediate assistance with the federal programme once the latter became available.

As mentioned above in the section on federal aid programmes, self-employed and small businesses are required to file their application for federal and/or state help with the state authorities, and all sixteen states have the respective websites for downloading the application forms and submitting the documents up and running. The response from businesses throughout the country was so positive, that in particular in the first few days some of the websites experienced too high demand and crashed – that does not have any impact on the available financial aid, which may still be applied for. However, in some states, the submission has been paused; in some other cases, states do not provide emergency aid as an own state programme any more, which means that only the federal programme remains available. In most states, applications for the direct state subsidies may be submitted at least until the end of May 2020.

We set out below an overview for all states, detailing the basic terms of the respective programme providing direct financial aid in form of direct subsidies which are not a loan (unless stated otherwise) and also providing – to the extent available – the information regarding the applicable state authority with which the applications have to be filed.

We note that the list of the state level financial aid programmes below is not an exclusive list, but there are (existing) programmes in place, which are independent from the Corona direct subsidies and which are also available, e.g. loans. As part of the Corona response, some states also increased their existing state programmes, e.g. by increasing the available amount and ratio for state-backed guarantees.

## **BADEN-WÜRTTEMBERG:**

### **Emergency Aid:**

**Available** since 25 March 2020 **to:**

- Self-employed and businesses with up to 5 employees: EUR 9,000 for 3 months;
- Businesses with up to 10 employees: EUR 15,000 for 3 months;
- Businesses with up to 50 employees: EUR 30,000 for 3 months.

Responsible state authority: [Landeskreditbank Baden-Württemberg](#)

## **BAYERN/BAVARIA:**

“**Bayernschirm**”, which has 3 separate elements:

1. Increasing the existing back-up guarantees volume by LfA Förderbank Bayern (Bavaria’s development bank) from EUR 100 million to EUR 500 million.
2. Establishing a “Bavaria-Fund”, enabling the state to step in as shareholder of affected business; and
3. Emergency aid, which is **available** since 18 March 2020 **to**:

- Self-employed and businesses with up to 5 employees: EUR 5,000;
- Businesses with up to 10 employees: EUR 7,500;
- Businesses with up to 50 employees: EUR 30,000;
- Businesses with up to 250 employees: EUR 50,000

Responsible state authority for the Emergency Aid: 7 separate administrative districts (*Regierungsbezirk*):

1. [Munich](#)
2. [Oberbayern](#)
3. [Niederbayern](#)
4. [Oberpfalz](#)
5. [Oberfranken](#)
6. [Mittelfranken](#)

## 7. [Unterfranken](#)

### **BERLIN:**

#### **Emergency Package I: bridge loans:**

**Available** since 27 March 2020 **to:**

- Established businesses with liquidity shortage: EUR 500,000 (also as interest-free loans; in special cases up to EUR 2.5 million), with a term of up to 2 years.

The submission of applications under the emergency package I “bridge loans”-programme has been suspended until further notice due to the enormous demand.

#### **Emergency Package II: emergency aid:**

**Available** since 27 March 2020 **to:**

- Self-employed and businesses with up to 5 employees: EUR 5,000.

The Emergency Package II **IS NOT AVAILABLE** any more. This state programme has been replaced by the federal “Soforthilfe Corona”-programme for small firms, which is available to:

- Freelancers, self-employed and businesses with up to 5 employees: EUR 9,000 for three months;
- Businesses with up to 10 employees: EUR 15,000 for three months.

Responsible state authority: [Investitionsbank Berlin](#)

see also:

[https://www.bmwi.de/Redaktion/DE/Downloads/E/eckpunkte-corona-soforthilfe.pdf?\\_\\_blob=publicationFile&v=4](https://www.bmwi.de/Redaktion/DE/Downloads/E/eckpunkte-corona-soforthilfe.pdf?__blob=publicationFile&v=4)

## **BRANDENBURG:**

### **Emergency Aid:**

**Available** since 25 March 2020 **to:**

- Self-employed and businesses with up to 5 employees: EUR 9,000;
- Businesses with up to 15 employees: EUR 15,000;
- Businesses with up to 50 employees: EUR 30,000;
- Businesses with up to 100 employees: EUR 60,000.

Responsible state authority: [Investitionsbank des Landes Brandenburg \(ILB\)](#).

## **BREMEN:**

### **Emergency Aid:**

**Available** since 23 March 2020 **to:**

- Self-employed and businesses with 11-49 employees with annual revenue of up to EUR 2 million: up to EUR 20,000.

Responsible state authority: [BAB - Die Förderbank für Bremen und Bremerhaven](#).

## **HAMBURG:**

### **Emergency Aid:**

**Available** since 30 March 2020 **to:**

- Self-employed: EUR 2,500;
- Businesses with up to 10 employees: EUR 5,000;

- Businesses with up to 50 employees: EUR 25,000;
- Business with up to 250 employees: EUR 30,000.

Responsible state authority: [Hamburgische Investitions- und Förderbank \(IFB\)](#).

## **HESSEN / HESSE:**

### **Emergency Aid:**

**Available** since 30 March 2020 **to:**

- Freelancers and businesses with up to 5 employees: EUR 10,000 for 3 months;
- Businesses with up to 10 employees: EUR 20,000 for 3 months;
- Businesses with up to 50 employees: EUR 30,000 for 3 months.

Responsible state authority: [Wirtschafts- und Infrastrukturbank Hessen](#); applications to be filed with [Regierungspräsidium Kassel](#).

## **MECKLENBURG-VORPOMMERN / MECKLENBURG-WESTERN POMERANIA:**

### **Emergency Aid:**

**Available** since 24 March 2020 **to:**

- Self-employed and businesses with up to 5 employees: EUR 9,000;
- Businesses with up to 10 employees: EUR 15,000;
- Businesses with up to 24 employees: EUR 25,000;
- Businesses with up to 49 employees: EUR 40,000;
- Businesses with up to 100 employees: EUR 60,000.

Responsible state authority: [Landesförderinstitut Mecklenburg-Vorpommern](#).

## **NIEDERSACHSEN / LOWER SAXONY:**

**State Emergency Aid:** for self-employed persons and businesses with up to 49 employees and annual revenue of less than EUR 10 million or EUR 10 million total balance sheet.

**Available** since 25 March 2020 **to:**

- Self-employed and businesses with up to 5 employees: EUR 9,000;
- Businesses with up to 10 employees: EUR 15,000;
- Businesses with up to 30 employees: EUR 20,000;
- Businesses with up to 49 employees: EUR 25,000.

Responsible state authority: [Investitions- und Förderbank Niedersachsen – NBank](#).

## **Niedersachsen Liquidity Loan:**

**Available to:**

self-employed persons and businesses with up to 250 employees and annual revenue of less than EUR 50 million or EUR 43 million total balance sheet:

- Loans in amount: EUR 5,000 to 50,000;
- Intended to bridge over shortages in liquidity or finance working capital;
- Duration: ten years;
- Interest free during two first years;
- No collateral required.

Responsible state authority: [Investitions- und Förderbank Niedersachsen – NBank](#).

**The “Emergency Aid”-programme of City Hannover** with a volume of EUR 10 million:



- covers liquidity shortage due to corona crisis occurred after 9 March 2020;
- available since 1 April 2020 to freelancers and businesses with up to:
  - 5 employees: EUR 3,000;
  - 10 employees: EUR 5,000;
  - 50 employees: EUR 15,000;
  - 250 employees: EUR 30,000.
- Responsible state authority: [Hannover, Finance Department](#)

**HAS BEEN EXHAUSTED** in early April already and is therefore **CLOSED**.

### **NORDRHEIN-WESTFALEN / NORTH RHINE-WESTPHALIA:**

#### **Emergency Aid:**

**Available** since 25 March 2020 **to:**

- Self-employed and businesses with up to 5 employees: EUR 9,000;
- Businesses with up to 10 employees: EUR 15,000;
- Businesses with up to 50 employees: EUR 25,000.

Responsible state authority: [Ministerium für Wirtschaft, Innovation, Digitalisierung und Energie des Landes Nordrhein-Westfalen](#).

## **RHEINLAND-PFALZ / RHINELAND-PALATINATE:**

### **„Zukunftsfonds Starke Wirtschaft Rheinland-Pfalz“-programme:**

- Instant loans, with a term of 6 years, no instalments before the end of 2022;
- Loan is **available** since 30 March 2020 to:
  - Businesses with up to 10 employees: EUR 10,000;
  - Businesses with up to 30 employees: EUR 30,000 plus additional subsidy of 30%.

Responsible state authority: [Ministerium für Wirtschaft, Verkehr, Landwirtschaft und Weinbau](#); [Förderbank ISB](#).

## **SAARLAND:**

### **The state „Kleinunternehmer-Soforthilfe“-programme:**

**Available** since 25 March 2020 **to:**

- Self-employed and businesses with up to 1 employee: EUR 3,000;
- Businesses with up to 5 employees: EUR 6,000;
- Businesses with up to 10 employees: EUR 10,000.

**IS NOT AVAILABLE SINCE 1 APRIL 2020.**

This state programme has been replaced by **the federal “Soforthilfe Corona”-programme** for small firms, which is **available to:**

- Freelancers, self-employed and businesses with up to 5 employees: EUR 9,000 for three months;
- Businesses with up to 10 employees: EUR 15,000 for three months.

The state government started **a new emergency aid programme** available since 15 April 2020 to:

- Businesses with 11-24 employees: up to EUR 15,000;
- Businesses with up to 49 employees: up to EUR 20,000;
- Businesses with up to 100 employees: up to EUR 25,000.

Responsible state authority: [Ministerium für Wirtschaft, Arbeit, Energie und Verkehr](#); see also: [https://www.bmwi.de/Redaktion/DE/Downloads/E/eckpunkte-corona-soforthilfe.pdf?\\_\\_blob=publicationFile&v=4](https://www.bmwi.de/Redaktion/DE/Downloads/E/eckpunkte-corona-soforthilfe.pdf?__blob=publicationFile&v=4).

## **SACHSEN / SAXONY:**

### **“Sachsen hilft sofort”-programme:**

- Interest free loans with a term of 10 years;
- Loan amount: EUR 5,000-50,000, in exceptional cases up to EUR 100,000;
- Up to first three years without instalments;
- **Available** since 23 March 2020 **to:** Self-employed and businesses with an annual revenue of up to EUR 1 million or EUR 1 million total balance sheet.

This programme has been extended and is now available also for large companies:

- With up to 100 employees and with an annual revenue of more EUR 1 million
- Loan amount: EUR 50,000-100,000;
- Available since 15 March 2020.

Responsible state authority: [Sächsische Aufbaubank – Förderbank \(SAB\)](#).

### **SACHSEN-ANHALT / SAXONY-ANHALT:**

#### **„Sofortprogramm des Wirtschaftsministeriums Sachsen-Anhalt“:**

**Available** since 30 March 2020 **to:**

- Self-employed and businesses with up to 5 employee: EUR 9,000;
- Businesses with up to 10 employees: EUR 15,000;
- Businesses with up to 25 employees: EUR 20,000;
- Businesses with up to 50 employees: EUR 25,000.

#### **The „Sachsen-Anhalt ZUKUNFT“-programme (loans):**

- Loan amount: EUR 10,000-150,000;
- With a term of up to 10 years;
- Up to first two years without instalments;
- No collateral;
- **Available** since 6 April 2020 **to:** self-employed and businesses with up to 50 employees.

Responsible state authority: [Investitionsbank Sachsen-Anhalt](#).

## **SCHLESWIG-HOLSTEIN:**

**No separate state-funded programme**, but distribution of the federal aid (“Soforthilfe Corona“-programme):

### **Available to:**

- Self-employed and businesses with up to 5 employees: EUR 9,000 for three months;
- Businesses with up to 10 employees: EUR 15,000 for three months.

The state government started a new emergency aid programme which is available to:

- Businesses with 11-50 employees: subsidies up to EUR 30,000.

The new state programme started on 14 April 2020.

Responsible state authority: [Investitionsbank Schleswig-Holstein \(IB.SH\)](https://www.bmwi.de/Redaktion/DE/Downloads/E/eckpunkte-corona-soforthilfe.pdf?__blob=publicationFile&v=4); see also: [https://www.bmwi.de/Redaktion/DE/Downloads/E/eckpunkte-corona-soforthilfe.pdf?\\_\\_blob=publicationFile&v=4](https://www.bmwi.de/Redaktion/DE/Downloads/E/eckpunkte-corona-soforthilfe.pdf?__blob=publicationFile&v=4).

## **THÜRINGEN / THURINGIA:**

### **Emergency Aid:**

**Available** since 25 March 2020 **to:**

- Businesses with up to 5 employees: EUR 9,000;
- Businesses with up to 10 employees: EUR 15,000;
- Businesses with up to 25 employees: EUR 20,000;
- Businesses with up to 50 employees: EUR 30,000.

Responsible state authority: [Thüringer Aufbaubank](#).

For more information on the German Government's response click [here](#).

[More on COVID-19](#)

## KEY CONTACTS

If you have any questions, or would like to know how this might affect your business, phone, or email these key contacts.



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