

Review of the Risk Finance Guidelines

Contribution from Portugal

04.08.2021

General Comments

Portugal welcomes in general terms the Commission's proposal on the review of the Risk Finance Guidelines which have a key role, together with the corresponding GBER provisions in improving access to finance for SME's.

However, we believe that it is important to emphasize that the revised Risk Finance Guidelines proposal do not adequately reflect the current context of difficulties and constraints verified in the national economies, due to the Covid-19 pandemic. As a result, we believe that the COVID-19 Temporary Framework should be extended, and include broader instruments, not only in sectorial terms, but also in terms of the size of the companies.

We have also a few specific comments, as follows:

Specific Comments

Section 1 (Introduction)

On paragraph 14 it is stated that guidance provided by NOA allow the removal of the section in the current guidelines concerning the "Market Economy Operator Test". However, it is not clear on the Notice on the Notion of Aid (NOA) whether a significant private participation in the context of a genuine *pari passu* investment means at least 30% of private participation.

Section 4.2. Second compatibility condition

On subsection 4.2.4.1., conditions for financial instruments, paragraph 148, clarification is needed on whether 3% of the capital to be contributed to the entity, refers to capital invested in SMEs, capital inflows in the Financial Intermediary, or the contracted amount.

On subsection 4.2.6, paragraph 178b Portuguese authorities stress the need to maintain the current threshold of EUR 500,000, in order not to increase the administrative burden for the Granting Authorities