



Rialtas na hÉireann
Government of Ireland

Government working with finance providers to support SME financing



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Foreword



Access to appropriate and affordable finance is vital for business at all stages of development. Supporting our small and medium sized enterprises to access the finance they need has been a cornerstone policy for the Government and for my Department over the past number of years.

SMEs are the backbone of the Irish economy and the Government has worked successfully with the banking sector and alternative finance providers to offer a wide range of supports to businesses at all stages of their business cycle.

It can be difficult to work out exactly what supports are available for your businesses and how to access them. This simple guide sets out the types of equity and debt financing supports available and outlines who a business should contact to access them. I hope you find it useful.

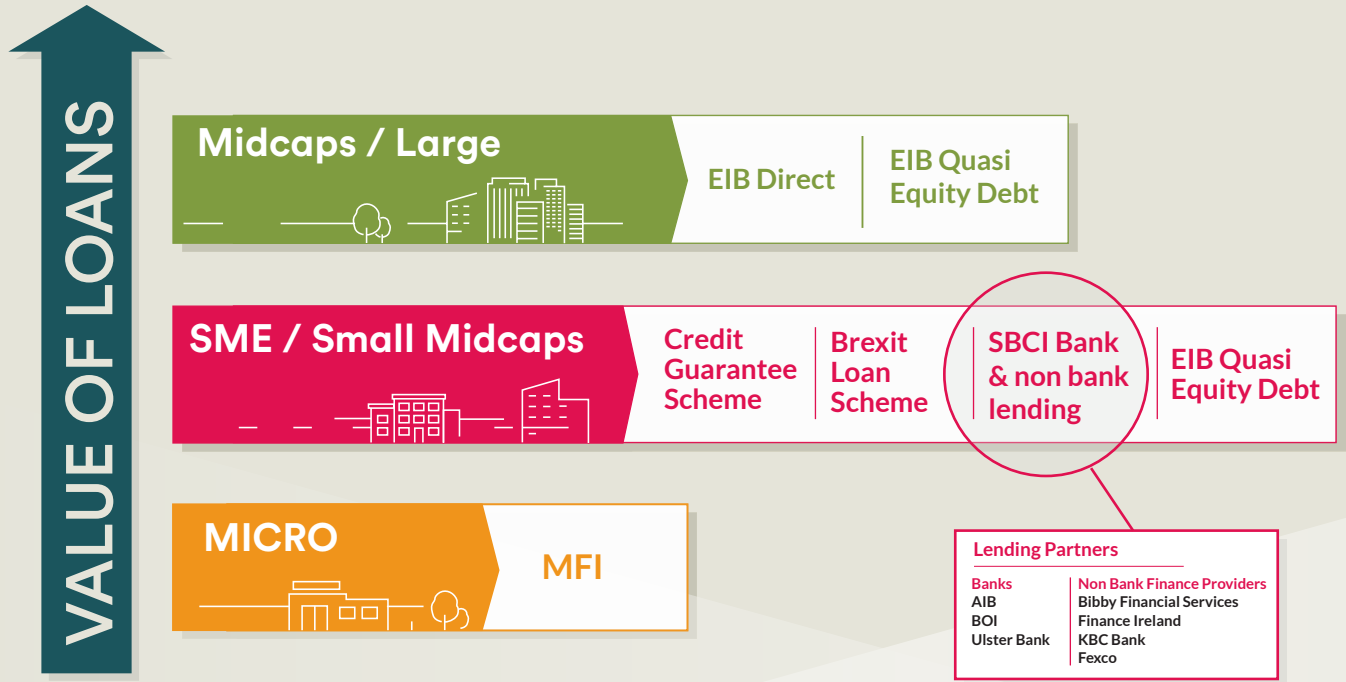
Further, my Department, its offices and agencies are always available to advise and support businesses.

A handwritten signature in black ink, reading "Heather Humphreys TD".

Heather Humphreys TD

Minister for Business, Enterprise and Innovation.

SME Debt



SME Equity

↑
VALUE OF LOANS

Midcaps / Large



EI Development
Capital Funds

SME / Small Midcaps



European
Angel
Fund

HALO Business
Angels
Networks EI

EI Seed &
Venture
Capital Funds

ISIF
SME
Equity

MICRO



Local Enterprise
Office Grants

Enterprise Ireland
Competitive Start fund

Sources of SME finance

SME Debt Finance Supports

Source	Information	Activity levels	How to access
Microfinance Ireland (MFI)	MFI was established in 2012 to provide small business loans (€2000-€25000) to start up, newly established or growing micro enterprises employing less than 10 people and with turnover of less than €2m per annum.	Since its establishment to end Q2 2019, MFI has approved loans totalling €31m which have helped to create or sustain 5,210 jobs.	To access an MFI loan businesses can; <ul style="list-style-type: none"> ➤ Apply directly through www.microfinanceireland.ie ➤ Apply through the Local Enterprise Office Network ➤ Apply through the Irish Local Development Network ➤ Ask to be referred by one of the main commercial banks; AIB, BOI or Ulster Bank
Credit Guarantee Scheme (CGS)	The Credit Guarantee Scheme encourages additional lending to small and medium businesses by offering a partial Government guarantee (currently 80%) to banks against losses on qualifying loans to eligible SMEs. Facilities from €10,000 up to €1m are offered.	In the lifetime of the Credit Guarantee Scheme to end of Q2 2019, €110m in credit guarantee scheme facilities were sanctioned for 689 SMEs, which have helped to create or sustain 5,888 jobs.	To access the scheme, businesses can approach one of the participating providers: AIB, BOI or Ulster Bank. The Credit Guarantee Scheme is operated by the Strategic Banking Corporation of Ireland (SBCI) on behalf of the Minister for Business, Enterprise and Innovation.

SME Debt Finance Supports

Source	Information	Activity levels	How to access
Brexit Loan Scheme	The Brexit Loan Scheme provides working capital loans (1 to 3 years) to eligible Irish businesses impacted by Brexit. Loans are competitively priced (maximum interest rate is 4%), and no security is required for amounts up to €500,000. Loan amounts range from €25,000 to €1.5m.	Since its launch in March 2018 to August 2019, 179 businesses have progressed to sanction for loans valuing €39.8 million of lending.	To access, eligible businesses can apply by: <ul style="list-style-type: none"> ➤ Completing the eligibility form and returning to the SBCI ➤ If SBCI assess a business as eligible, an eligibility reference number is given which is then provided to the participating finance provider (currently AIB, BOI and Ulster Bank)
Future Growth Loan Scheme	The Future Growth Loan Scheme offers long term loans (8 to 10 years) to eligible Irish businesses and the primary agriculture and seafood sectors. Loans are competitively priced, and no security is required for amounts up to €500,000. Loan amounts range from €100,000 (€50,000 for agriculture) to €3m.	Since its establishment in April to August 2019, 142 businesses have progressed to sanction for loans valuing €23.6 million of lending.	To access, eligible businesses can apply by: <ul style="list-style-type: none"> ➤ Completing the eligibility form and returning to the SBCI ➤ Apply for a loan under the scheme with one of the participating finance providers (AIB, BOI and Ulster Bank) using the eligibility reference number issued by SBCI.

SME Debt Finance Supports

Source	Information	Activity levels	How to access
European Investment Bank (EIB) Direct Loans	<p>The EIB provides favourably priced and structured direct loans to private corporates with planned capex and R&D investments costing over €20m, including:</p> <ul style="list-style-type: none"> ➤ Large loans to large cap corporates; and ➤ Loans of between €10m to €50m to midcap corporates with up to 3,000 employees. 	<p>EIB has provided direct loans to large corporates and to midcaps operating in agribusiness, transport, biotech and telecommunications sectors. EIB has also allocated €150m to a Programme Loan specifically for Irish midcaps.</p>	<p>To access EIB direct loans: Contact EIB's local office in 8 Upper Mount Street, Dublin 2 (c.murphy@eib.org) or: 98-100, boulevard Konrad Adenauer, L-2950 Luxembourg (m.finucane@eib.org).</p>
European Investment Bank (EIB) Quasi Equity	<p>Quasi-equity is a direct self-liquidating financing provided by EIB where the repayment and the expected return of the investment depend on the success of the underlying investment programme. It is available to companies with up to 3,000 employees where the loan volume requested is between €7.5m and €50m.</p> <ul style="list-style-type: none"> ➤ The product is applicable to high growth companies in innovative sectors investing in research & development; and ➤ Loan volume of between €7.5m and €50m to companies with up to 3,000 employees. 	<p>To date, several Irish projects in Insurance Software, Telecommunications, Biotechnology and the MedTech sectors have been approved for funding.</p>	<p>To access: Contact EIB's local office in 8 Upper Mount Street, Dublin 2 (c.murphy@eib.org) or 98-100, boulevard Konrad Adenauer, L-2950 Luxembourg (m.finucane@eib.org).</p>

SME Debt Finance Supports

Source	Information	Activity levels	How to access
Home Building Finance Ireland (HBFI)	HBFI is a private company formed under the Companies Act 2014 and the Home Building Finance Ireland Act 2018. HBFI has been established to provide finance at market rates for commercially viable residential developments.	HBFI has access to a loan facility of up to €730m which will be capable of delivering up to 7,500 new homes (assuming a 5 year horizon). From the launch date of 28 January 2019 to end June 2019 €41m of funding has been approved by HBFI in various locations across the country.	Eligible builders/developers can apply to HBFI by completing the 'Expression of Interest' form on the HBFI website www.hbfi.ie .

SME Equity Finance Supports

Source	Information	Activity levels	How to access
LEO Feasibility Study Grants	Feasibility Study Grants are designed to assist promoters with researching market demand for a product or service and examining its sustainability. It includes assistance with innovation, hiring of expertise from third level colleges, private specialists, design and prototype development. The maximum Feasibility Study Grant payable is between 50% - 60%, of the investment depending on the region - or €15,000 whichever is the lesser.	Since their inception in April 2014 to the end of Q2 2019, the LEO's approved almost €8.2 million in Feasibility Study Grants to Micro enterprises.	Access to LEO supports is through any one of the Local Enterprise Offices situated across the Local Authority Network www.localenterprise.ie
LEO Priming Grants	A priming grant is a business start-up grant and is available to micro enterprises within the first 18 months of start-up. The maximum priming grant payable shall be 50% of the investment or €150,000, whichever is the lesser.	Since their inception in April 2014 to the end of Q2 2019, the LEO's approved 1,915 projects with Priming Grant approvals totalling €38.6 million.	Access to LEO supports is through any one of the Local Enterprise Offices situated across the Local Authority Network www.localenterprise.ie
LEO Business Expansion Grants	The Business Expansion Grant is designed to assist a business in its growth phase after the initial 18 months start-up period. The maximum business expansion grant payable shall be 50% of the investment or €150,000, whichever is the lesser.	Since their inception in April 2014 to the end of Q2 2019, the LEO's approved €39.6 million in Business Expansion Grants across the 31 LEO's nationwide.	Access to LEO supports is through any one of the Local Enterprise Offices situated across the Local Authority Network www.localenterprise.ie

SME Equity Finance Supports

Source	Information	Activity levels	How to access
LEO Technical Assistance for Micro Exporters' Grants	The Technical Assistance for Micro Exporter's (TAME) grant is a support to enable clients to take the first steps in new product service development or in developing and exploring new market opportunities.	Since these grants were made available in March 2017 to the end of Q2 2019, the LEOs approved €1.6 million in TAME Grants.	Access to LEO supports is through any one of the Local Enterprise Offices situated across the Local Authority Network www.localenterprise.ie
Halo Business Angel Network (HBAN)	HBAN is responsible for the development of business angel syndicates on the island of Ireland. HBAN matches investor ready propositions with angel investors.	In 2018, HBAN Angels invested €9.4m into 42 companies in the Republic of Ireland. In 2018, over 95 new Angels were registered with HBAN bringing the total number of registered Angels since 2015 to 342.	HBAN currently has 5 Regional Business Angel Networks and 7 Syndicate groups across the island. HBAN co-ordinates the connections for anyone interested in forming or joining an existing syndicate through its website www.hban.org
European Angel Fund	The €40m European Angel Fund is a joint initiative with the European Investment Fund (EIF) designed to enhance the capacity of Business Angels to provide equity financing for innovative companies in the form of co-investments.	To date, 9 Angels have been signed up to the fund, which has invested over €2.9m in 22 companies.	Eligible businesses can apply to EAF by filling out an online form located here: http://www.eif.org/what_we_do/equity/eaf/eaf_form.htm

SME Equity Finance Supports

Source	Information	Activity levels	How to access
Enterprise Ireland Seed and Venture Capital Scheme	The Enterprise Ireland Seed and Venture Capital Scheme was established to increase the availability of risk capital for SMEs.	To date, EI has committed in excess of €510m, which, using a co-investment model, has raised a total of €1.34bn in Seed and Venture capital funding.	All funds are independently managed by private sector fund managers who make the decisions regarding investments.
Enterprise Ireland Competitive Start Fund (CSF)	<p>The CSF provides up to €50,000 in equity support, paid in two equal tranches and mentor support.</p> <p>It is a competitive fund designed to accelerate the growth of start-up companies that have the potential to grow their product or service internationally and to support them to reach key technical and commercial milestones.</p>	During 2017, Enterprise Ireland invested more than €30 million directly in 181 start-up companies. 90 of the Class of 2017 are classed as 'High Potential Start-Ups' (HPSUs). A further 91 new businesses received support under 'Competitive Start Funds' (CSFs)	<p>All applications to the Competitive Start Fund must be made via the Enterprise Ireland online application system during call open dates.</p> <p>Applications are assessed by a panel of experts who consider the market opportunity and problem to be solved, customer validation, level of innovation, proposed execution plan and the team.</p>

SME Equity Finance Supports

Source	Information	Activity levels	How to access
Ireland Strategic Investment Fund (ISIF)	<p>The ISIF, managed and controlled by the National Treasury Management Agency (NTMA), is an €9.5bn sovereign development fund with a unique mandate. ISIF deploys capital to support new and existing non-bank alternative finance providers and other providers of finance as part of its strategy.</p>	<p>To date, the ISIF has committed over €4.4bn to transactions in a wide range of sectors.</p>	<p>To submit proposals or to discuss investment ideas, contact details are available on the website www.isif.ie</p>

What if I can't secure finance?

Source	Information	How to access
Credit Review Office (CRO)	<p>The CRO provides an independent, impartial credit appeals process for SMEs, including sole traders and farmers. The CRO has no statutory or regulatory powers to overturn bank lending decisions. However, if they conclude that the lending could have been made within acceptable risk boundaries, the bank will be required to comply or explain to the CRO why it will not do so. In over 90% of the cases supported by the Office, the banks have accepted the CRO Opinion and complied with the recommendations.</p>	<p>You can start your application now by downloading the Borrower Application Form and Borrower Administration Form on the website</p> <p>www.creditreview.ie</p>

Glossary of Terms

AIB	Allied Irish Bank
BOI	Bank of Ireland
EI	Enterprise Ireland
EIB	European Investment Bank
ISIF	Irish Strategic Investment Fund
LEO	Local Enterprise Offices
MFI	Microfinance Ireland
SBCI	Strategic Banking Corporation of Ireland
SME	Small-to-Medium Enterprise

Definitions

Microenterprise

Fewer than 10 employees and an annual turnover or balance sheet below €2 million.

Small enterprise

Fewer than 50 employees and an annual turnover or balance sheet below €10 million.

Medium enterprise

Fewer than 250 employees and annual turnover below €50 million or balance sheet below €43 million.

Mid-caps

There is no common EU definition of mid-cap companies, mid-caps are broadly said to have between 250 and 3,000 employees.



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