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*Number 5 of 2020*

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**Credit Guarantee (Amendment) Act 2020**

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**CREDIT GUARANTEE (AMENDMENT) ACT 2020**

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[No. 5.]

*Credit Guarantee (Amendment) Act 2020.*

[2020.]

ACTS REFERRED TO

Credit Guarantee (Amendment) Act 2016 (No. 1)

Credit Guarantee Act 2012 (No. 26)



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*Number 5 of 2020*

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## **CREDIT GUARANTEE (AMENDMENT) ACT 2020**

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An Act to make provision in relation to the giving of guarantees by the Minister for Business, Enterprise and Innovation under the Credit Guarantee Act 2012 in accordance with a credit guarantee scheme made under that Act by that Minister of Government in response to the economic difficulties caused by the disease known as Covid-19; to place a monetary limit on the potential liability of that Minister of the Government in respect of such a credit guarantee scheme; to extend the classes of enterprise to which such a credit guarantee scheme may apply; and, for those purposes, to amend the Credit Guarantee Act 2012 and the Credit Guarantee (Amendment) Act 2016; and to provide for related matters. [24th July, 2020]

**Be it enacted by the Oireachtas as follows:**

### **Definition**

1. In this Act, “Act of 2012” means the Credit Guarantee Act 2012.

### **Amendment of section 1 of Act of 2012**

2. Section 1 of the Act of 2012 is amended by the insertion of the following definition:

“ ‘Covid-19 credit guarantee scheme’ has the meaning assigned to it by section 4A(1);”.

### **Amendment of section 3 of Act of 2012**

3. Section 3 of the Act of 2012 is amended by—

- (a) the substitution, in subsection (1), of “Subject to subsection (1A), for the purposes” for “For the purposes”, and
- (b) the insertion of the following subsection after subsection (1):

“(1A) For the purposes of this Act, insofar as it applies to a Covid-19 credit guarantee scheme, a person is a qualifying enterprise if—

- (a) the person is a qualifying enterprise within the meaning of subsection (1), or

- (b) in the case of a person who is not a qualifying enterprise within the meaning of subsection (1), the person is established in the State and employs not more than 499 persons (calculated in accordance with the Commission Recommendation) whether or not in the State.”.

#### **Amendment of section 4 of Act of 2012**

4. Section 4 of the Act of 2012 is amended by—

- (a) the substitution, in subsection (1), of “this section, section 4A” for “this section”,
- (b) the substitution, in subsection (2), of “subsection (3), section 4A” for “subsection (3)”,
- (c) the substitution, in subsection (3), of “Subject to subsection (4A), the Minister” for “The Minister”,
- (d) the substitution, in subsection (4), of “Subject to subsection (4A), the Minister” for “The Minister”, and
- (e) the insertion of the following subsection after subsection (4):

“(4A) Subsections (3) and (4) shall not apply to—

- (a) guarantees given under this section in accordance with a Covid-19 credit guarantee scheme, or
- (b) qualifying finance agreements to which those guarantees apply.”.

#### **Power of Minister to give guarantees in accordance with Covid-19 credit guarantee scheme**

5. The Act of 2012 is amended by the insertion of the following section after section 4:

“4A. (1) In the case of a credit guarantee scheme made to facilitate the provision of financial products to participating enterprises in response to the economic difficulties caused by Covid-19 (in this Act referred to as a ‘Covid-19 credit guarantee scheme’)—

- (a) any agreement entered into by the Minister under section 4 in accordance with that scheme shall be entered into on or before—
  - (i) subject to subparagraph (ii), the 31st day of December 2020, or
  - (ii) subject to subsection (2), such later date as the Minister may, with the consent of the Minister for Finance and the Minister for Public Expenditure and Reform, appoint by order if he or she is satisfied that there is good and sufficient reason for doing so due to ongoing economic difficulties caused by Covid-19,

and

- (b) any guarantee given pursuant to that agreement shall not exceed a maximum duration of 6 years from the date of the agreement.

- (2) The date that may be appointed by order under subsection (1)(a)(ii) shall be a date not later than the 31st day of December 2021.
- (3) The Minister shall not exercise the powers conferred on him or her by section 4 in accordance with a Covid-19 credit guarantee scheme in such manner as would result in the aggregate of all credit amounts in respect of all Covid-19 qualifying finance agreements exceeding €2 billion.
- (4) The Minister shall not exercise the powers conferred on him or her by section 4 in accordance with a Covid-19 credit guarantee scheme in such manner as would result in the aggregate of the Minister's liability in respect of all Covid-19 qualifying finance agreements exceeding €1.6 billion.
- (5) In this section—

'Covid-19' means a disease caused by infection with the virus SARS-CoV-2 and specified as an infectious disease in accordance with Regulation 6 of, and the Schedule to, the Infectious Diseases Regulations 1981 (S.I. No. 390 of 1981) or any variant of the disease so specified as an infectious disease in those Regulations;

'Covid-19 qualifying finance agreement', in relation to a Covid-19 credit guarantee scheme, means a qualifying finance agreement to which a guarantee given under section 4 in accordance with that scheme applies."

#### **Amendment of section 12 of Credit Guarantee (Amendment) Act 2016**

6. Section 12 of the Credit Guarantee (Amendment) Act 2016 is amended by—

- (a) the designation of that section as subsection (1),
- (b) the substitution, in subsection (1), of "Subject to subsection (2), the Minister shall not" for "The Minister shall not", and
- (c) the insertion of the following subsections after subsection (1):

"(2) Subsection (1) shall not apply to—

- (a) guarantees given under section 4 of the Principal Act in accordance with a Covid-19 credit guarantee scheme, or
  - (b) qualifying finance agreements to which those guarantees apply.
- (3) In this section, 'Covid-19 credit guarantee scheme' has the same meaning as it has in the Principal Act."

#### **Short title, commencement and collective citation**

7. (1) This Act may be cited as the Credit Guarantee (Amendment) Act 2020.

- (2) This Act and the Credit Guarantee Acts 2012 and 2016 may be cited together as the Credit Guarantee Acts 2012 to 2020.
- (3) This Act shall come into operation on such day or days as the Minister for Business, Enterprise and Innovation may by order or orders appoint either generally or with reference to any particular purpose or provision and different days may be so appointed for different purposes or different provisions.