



Rialtas na hÉireann
Government of Ireland

FUTURE GROWTH LOAN SCHEME

Information Pack



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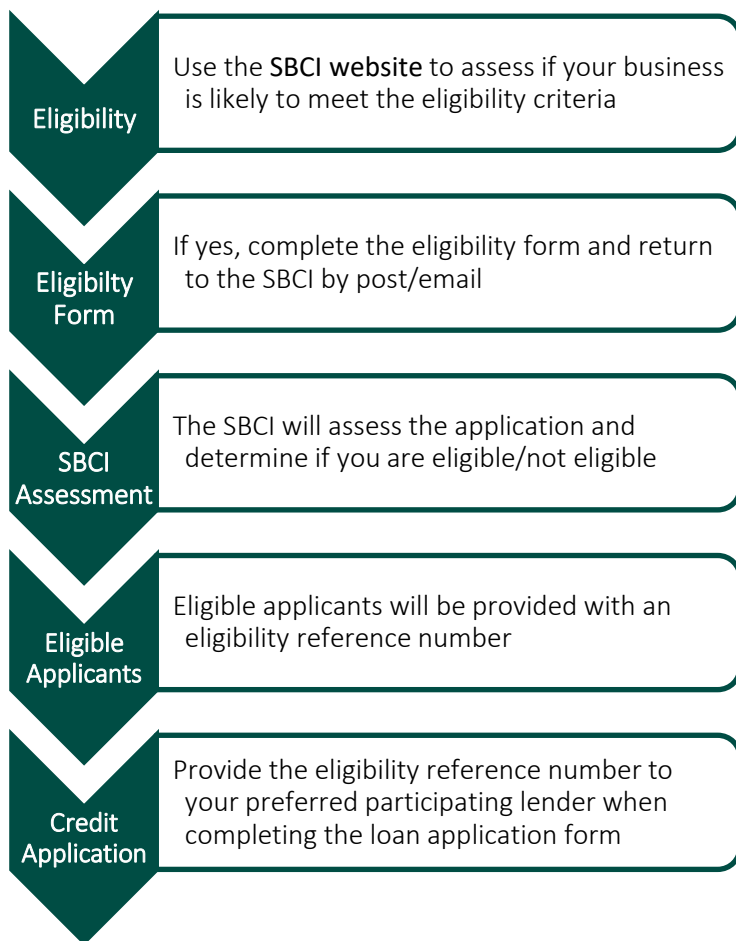


Section 1 - Fact Sheet

Future Growth Loan Scheme

The Future Growth Loan Scheme provides up to €300m funding support to enable eligible businesses in Ireland and the primary agriculture and seafood sectors to support strategic long-term investment. The scheme is available for 36 months from commencement or until the scheme has been fully subscribed.

How do I apply for the Scheme?



Where is the scheme available?

After receiving an eligibility reference number, eligible businesses can contact their preferred participating finance provider. A list of providers will be published shortly.

Who can apply?

To be eligible, a business must meet the following criteria:

1. Must be a viable business with up to 499 employees*
2. Must meet the Scheme eligibility criteria**

Loan features

- €100,000 (€50,000 for primary agriculture, i.e. farmers) to €3,000,000 per eligible enterprise.
- Maximum interest rate*** of 4.5% for loans less than €250,000 and 3.5% for loans more than or equal to €250,000.
- Term ranging from 8 years to 10 years
- Loans unsecured up to €500,000
- Optional interest-only repayments provided at the start of the loans subject to participating lender approval.
- Approval of all loans is contingent on meeting the credit assessment criteria of the participating lender

Loans can be used for the following purposes:

- Investment in tangible or intangible assets to increase productivity and/or efficiency, set up a new establishment or extend an existing one.
- diversification into new additional products or a change in a production process.
- Investment in tangible or intangible assets for process and organisational innovation.
- Investment in tangible and intangible assets on agricultural holdings linked to primary agricultural production (excludes purchase of land (other than site costs) and livestock).
- Investment in connection with the processing and marketing of agricultural products.

*Businesses in the Republic of Ireland who meet the eligibility criteria. Sole traders and farmers may also apply. Qualifying SMEs are defined by the Standard [EU definition](#). The definition for Small Mid-Caps can be found [here](#).

**Full criteria available through [SBCI website](#) or via the SBCI FGSL Helpline 1800804482

***Initial maximum loan interest rate of 4.5% for loans <€250,000 and 3.5% for loans >=€250,000. Variable interest rates are subject to change.

The Future Growth Loan Scheme is offered by the Government of Ireland, through the Department of Business, Enterprise and Innovation and the Department of Agriculture, Food and the Marine. The scheme is supported by the EIB Group's Guarantee Facility and is delivered through the Strategic Banking Corporation of Ireland.

Section 2 – Future Growth Loan Scheme Q & A

1. What is the Future Growth Loan Scheme?

- The Future Growth Loan Scheme makes up to €300 million of loans available with a term of 8-10 years. This scheme will be available to eligible businesses in Ireland and the primary agriculture (farmers) and seafood sectors to support strategic long-term investment. Finance provided under the scheme will be competitively priced and have favourable terms.
- The initial maximum interest rate is capped at 4.5% for loans up to €249,999 and 3.5% for loans greater than or equal to €250,000. The rates thereafter are variable and will be dependent on the cost of funds at that point in time, however the credit margin component of the price has been capped. These rates represent a significant saving compared with the prevailing rates that are otherwise being offered for similar loans on the market.
- Loans will range from €100,000 (€50,000 for farmers) to €3 million per eligible business, with unsecured loans up to €500,000.
- The Future Growth Loan Scheme is offered by the Government of Ireland, through the Department of Business, Enterprise and Innovation and the Department of Agriculture, Food and the Marine, the Strategic Banking Corporation of Ireland, supported by the EIB Group's Guarantee Facility.
- The scheme is operated by the Strategic Banking Corporation of Ireland (SBCI) through participating lenders.

2. What kind of businesses are eligible for the scheme?

This scheme will be available to eligible SME and Small Mid-Cap businesses, and the primary agriculture (farmers) and seafood sectors in Ireland to support strategic long-term investment.

3. What kind of businesses are not eligible for the scheme?

This scheme does not apply to the following SMEs:

- i. Is an undertaking in difficulty¹
- ii. Is bankrupt or being wound up or having its affairs administered by the courts
- iii. In the last 5 years has entered an arrangement with creditors, in the context of being bankrupt or wound-up or having its affairs administered by the courts
- iv. Has been convicted of an offense concerning professional conduct by judgement, fraud, corruption, involvement in a criminal organisation, money laundering or any other illegal activity where such illegal activity is detrimental to the European Union's financial interests

There are also some business sectors that are not eligible due to EIF restrictions. Please refer to 'Section 7 – Restricted Sectors'.

¹ An undertaking in difficulty is defined in Article 2(18) of the COMMISSION REGULATION (EU) No 651/2014:
<https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:02014R0651-20170710&from=EN>

4. Do I need a business plan?

For loans in excess of €250,000, a Business Plan must be completed as part of the application process. Business plan guidance is available on the [SBCI website](#).

5. Are applicants required to be clients of State Agencies?

No, the scheme is open to all businesses that meet the eligibility criteria. Therefore, both State Agency clients and businesses that are not in any way engaged with State Agencies are encouraged to apply. State agencies include Enterprise Ireland, the Local Enterprise Office (LEOs) and Bord Bia for example.

6. Are any of the loans aimed at particular sectors?

As the agriculture and food sector have a particular exposure to the UK market, the Department of Agriculture, Food and the Marine contributed 40% of the State funding. As a result, at least 40% of the fund will be available to Primary Agriculture (farmers) / Food businesses.

7. Which finance providers are participating in the scheme?

Five lenders applied to participate in the Scheme. Due diligence and legal negotiations are almost finalised, and we will announce their names very shortly.

Section 3 – State Aid

State Aid is defined as aid granted to an undertaking using state resources by a member state (state body, agency or department) that potentially could distort competition and trade. For more information on State Aid, please click [here](#).

Loans in this Scheme are subject to the State aid rules listed below. The relevant rules will depend on the borrower and the loan type.

- i. General Block Exemption Regulation (GBER) – Comm. Reg. (EU) No 651/2014 (Articles 17 and 29)
- ii. Agriculture Block Exemption Regulation (ABER) – Comm. Reg. (EU) No 702/2014 (Articles 14 and 17)
- iii. De Minimis Regulation – Comm. Reg. (EU) No 1407/2013

Section 4 - EIF Restricted Sectors

The following economic sectors are together referred to as the “EIF Restricted Sectors”. [*Click Here](#)

a. Illegal Economic Activities

Any production, trade or other activity, which is illegal under the laws or regulations of the home jurisdiction for such production, trade or activity.

Human cloning for reproduction purposes is considered an Illegal Economic Activity in the context of these Guidelines.

b. Tobacco

The production of and trade in tobacco. A waiver for distilled alcoholic beverages and related products has been secured.

c. Production of and Trade in Weapons and Ammunition

The financing of the production of and trade in weapons and ammunition of any kind. This restriction does not apply to the extent such activities are part of or accessory to explicit European Union policies.

d. Casinos

Casinos and equivalent enterprises.

e. IT Sector Restrictions

Research, development or technical applications relating to electronic data programs or solutions which:

- i. Aim specifically at
 - (a) supporting any activity included in the EIF Restricted Sectors referred to under ‘a’ to ‘d’ above;
 - (b) internet gambling and online casinos; or
 - (c) pornography,
or which
- ii. are intended to enable to illegally
 - (a) enter into electronic data networks; or
 - (b) download electronic data.

f. Life Science Sector Restrictions

When providing support to the financing of the research, development or technical applications relating to:

- i. human cloning for research or therapeutic purposes; or

ii. Genetically Modified Organisms (“GMOs”).

*https://www.eif.org/attachments/publications/about/2010_Guidelines_on_restricted_sectors.pdf

EIF will require from the EIF counterpart appropriate specific assurance on the control of legal, regulatory and ethical issues linked to such human cloning for research or therapeutic purposes and/or Genetically Modified Organisms.

Appendix A - Case Studies

Example 1

A distribution sector enterprise based in the Midlands of Ireland which is five years in operation, with 20 employees seeking finance for new equipment as part of a modernisation and efficiency programme to streamline material and product handling in its core business.

This progressive SME wishes to invest €260,000 in new equipment to increase both capacity and efficiency in its core distribution business; a proportion of the investment cost will also cover a patent licence from the manufacturer as the equipment utilises some very new technology.

The SME wishes to repay over a ten-year period but have limited collateral to offer due to other financing security commitments. This enterprise is considered viable but needs investment finance to develop and enhance its service delivery and increase efficiency, quality and capacity

SBCI Future Growth Loan Scheme (FGLS)

The SBCI Future Growth Loan Scheme could enable the enterprise to finance this investment in their process and service by the provision of an 80% SBCI guarantee to the participating scheme finance provider. As the amount sought is less than €500,000 no other security is required. The enterprise must meet the on-lender's credit criteria for the loan and FGLS eligibility criterion.

This enterprise must satisfy the following FGLS eligibility criterion: -

- Complete a Business Plan detailing the effect of the planned investment (required as the loan sought is in excess of €250,000);
- Eligible SMEs and Small Midcaps must have an establishment or branch in Ireland;
- Be in an eligible sector;
- Complete the FGLS eligibility application form.

Example 2

A long-established food manufacturer based in Wexford (South East Ireland) which is 30 years in operation with 300 employees (Small Midcap) is seeking finance to upgrade its manufacturing plant to increase production capacity, efficiency and product range.

This well-established enterprise operating in a low margin competitive sector needs to update its production capacity, efficiency and product range. They have identified the equipment required and wish to undertake an investment programme in the next 12 months. The investment will cost circa €1.5 million which also includes the cost of extending existing facilities and the cost of research in relation to the proposed investment. The business proposes to repay the facility over 8 years.

SBCI Future Growth Loan Scheme (FGLS)

The SBCI Future Growth Loan Scheme could enable the enterprise to finance this investment in their process and service by the provision of an 80% SBCI guarantee to the participating scheme finance provider. As the amount sought is greater than €500,000 additional security may be asked for by the finance provider. The enterprise must meet the on-lender's credit criteria for the loan and FGLS eligibility criterion.

This enterprise must satisfy the following FGLS eligibility criterion: -

- Complete a Business Plan detailing the effect of the planned investment (required as the loan sought is in excess of €250,000);
- Eligible SMEs and Small Midcaps must have an establishment or branch in Ireland;
- Be in an eligible sector;
- Complete the FGLS eligibility application form.

Example 3

An engineering company based in Dublin operating for the last 6 years with 150 employees now wishes to obtain finance for investment in advanced measuring and recording instrumentation.

This engineering company has seen strong growth over the last three years and has identified opportunities to enhance and grow its service offering by utilising cutting edge technologies. The equipment and licence costs are estimated to be €100,000. The business proposes to repay the facility over 10 years.

SBCI Future Growth Loan Scheme (FGLS)

The SBCI Future Growth Loan Scheme could enable the enterprise to finance this investment in their process and service by the provision of an 80% SBCI guarantee to the participating scheme finance provider. As the amount sought is less than €500,000 no other security is required. The enterprise must meet the on-lender's credit criteria for the loan and FGLS eligibility criterion.

This enterprise must satisfy the following FGLS eligibility criterion: -

- There is no requirement to complete a separate business plan once the investment rationale and business plan is captured in the finance provider's loan application;
- Eligible SMEs and Small Midcaps must have an establishment or branch in Ireland;
- Be in an eligible sector;
- Complete the FGLS eligibility application form.

Example 4

A tillage farmer based in Co. Louth wishes to invest in new grain drying and storage facilities to provide increased and higher quality cereals for both animal and human consumption.

This farm based SME has identified an opportunity to provide better quality cereals for both animal and human consumption and has identified an excellent drying and ventilation system that improves quality and reduces spoilage. The business projects the required investment will cost €300,000 and intends to repay the loan over 10 years.

SBCI Future Growth Loan Scheme (FGLS)

The SBCI Future Growth Loan Scheme could enable the enterprise to finance this investment in their process and service by the provision of an 80% SBCI guarantee to the participating scheme finance provider. As the amount sought is less than €500,000 no other security is required. The enterprise must meet the on-lender's credit criteria for the loan and FGLS eligibility criterion.

This enterprise must satisfy the following FGLS eligibility criterion: -

- Complete a Business Plan detailing the effect of the planned investment (required as the loan sought is in excess of €250,000);
- Verify that the investment has not yet started;
- Eligible SMEs and Small Midcaps must have an establishment or branch in Ireland;
- Be in an eligible sector;
- Complete the FGLS eligibility application form;
- Loan funding must be utilised for eligible project costs only.

Example 5

A beef farmer based in Co. Clare wishes to invest in new animal housing facilities to provide increased and higher quality animal husbandry and longer-term environmental sustainability.

This farm-based SME has identified an opportunity to provide better quality animal housing facilities that enables increasing animal performance and longer-term environmental sustainability. The business projects the required investment will cost €90,000 and intends to repay the loan over 10 years.

SBCI Future Growth Loan Scheme (FGLS)

The SBCI Future Growth Loan Scheme could enable the enterprise to finance this investment in their process and service by the provision of an 80% SBCI guarantee to the participating scheme finance provider. As the amount sought is less than €500,000 no other security is required. The enterprise must meet the on-lender's credit criteria for the loan and FGLS eligibility criterion.

This enterprise must satisfy the following FGLS eligibility criterion: -

- There is no requirement to complete a separate business plan once the investment rationale and business plan is captured in the finance provider's loan application;
- Verify that the investment has not yet started;
- Eligible SMEs and Small Midcaps must have an establishment or branch in Ireland;
- Be in an eligible sector;
- Complete the FGLS eligibility application form;
- Loan funding must be utilised for eligible project costs only.