

Guarantee Arrangement: Extra security, provided by the Flemish Government

You have a good IDEA for your company ...

You can already visualize the RESULT ...

With the correct INVESTMENT your company will make a significant leap ...

Your BANK believes in your project ...

and then it transpires that your bank is looking for more SECURITIES than you can offer ...

As an entrepreneur you usually approach your bank for investment finance. There you must make a strong case. You will have to convince your bank of the successful outcome of your project and provide sufficient securities. It may happen that your bank does believe in your project but cannot grant you a loan because of a lack of security. Bad news for your company as now you are unable to implement your investment project or part of it.

If the bank cannot offer you any loan, solely because you cannot provide enough security, there is an excellent alternative. Ask your bank to call on the new PMV-SME Waarborgregeling [Guarantee arrangement].

With the new Waarborgregeling, the Flemish Government underwrites part of the financing you require. In this manner the bank's exposure is reduced and your creditworthiness is increased. The level of guarantee depends on your credit requirements and your lack of securities.

Who qualifies?

To avail of the Waarborgregeling, your company must be a SME. SMEs are defined as companies

1. with **less than 250 employees** of which
 - either the annual turnover does not exceed 50 million euro;
 - or the balance-sheet total does not exceed 43 million euro;
2. who meet a **set independence criterion**, which means that no more than 25% of your company may be in hands of a non-SME.

How can you use this type of financing?

1. The funding must lead to an investment in the Flemish Region
2. The funding may not be used to settle outstanding or already existing debts
3. At least two thirds of the amount you receive must be used for a long-term (minimum one year) project, which means that no more than one third of the amount may be due within the year.

What are the conditions for the guarantee?

1. Via the Waarborgregeling, one and the same SME can avail of up to 500,000 euro in securities (*)
2. The security may cover a maximum of 75% of the amount of your credit
3. A once-off premium is required. This premium is calculated in function of the amount and term of the security
4. The guarantee is of a supplementary nature and is granted over and above the other securities the bank asks you to provide.

(*) Exceptions to this rule may apply. For more information please check our website on www.waarborgregeling.be.

Public works? More lenient conditions ...

SMEs hindered by public works enjoy more lenient conditions: The government guarantee can also be used to finance working capital or to restructure short-term bank liabilities. Moreover, no premium is charged for this guarantee.

Your bank as port of call

Your bank is your port of call if you wish to avail of the Waarborgregeling. This arrangement is offered by most banks. The bank decides whether financing for your company qualifies for the Waarborgregeling.

You can find a list of banks who offer the Waarborgregeling on www.waarborgregeling.be or www.pmv-kmo.be

There you can also find more information on the Waarborgregeling and some real-life examples.

ParticipatieMaatschappij Vlaanderen, at the service of entrepreneurs

You can find more information on these and other interesting financing products for entrepreneurs on www.pmv-kmo.be, the public financing guide for SMEs.

Other brochures on the products the PMV-kmo offers entrepreneurs have been published. You may download these brochures from our website or simply request a printed copy.

WAARBORGBEHEER NV
PMV-kmo
Hooikaai 55 – 1000 Brussels
waarborgregeling@pmvlaanderen.be
www.waarborgregeling.be
www.pmv-kmo.be