

Future Growth Loan Scheme - Frequently Asked Questions

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 Irish businesses and the primary agriculture & seafood sectors to support strategic long-term investment in a post Brexit environment. Finance provided under the scheme will be competitively priced and have favourable terms, for example no security required for loans up to €500,000.

The scheme is being developed by the Department of Business, Enterprise and Innovation and the Department of Agriculture, Food and the Marine (DAFM) in partnership with the Department of Finance, the Strategic Banking Corporation of Ireland (SBCI) and the European Investment Fund (EIF). It will be delivered through participating finance providers.

What kind of businesses will be eligible for the scheme?

The scheme will be available to:

- SMEs¹ and the primary agriculture and seafood sectors
- Eligible businesses must have an establishment or branch in Ireland

1 Micro, small and medium sized enterprises as defined in Commission Recommendation 2003/361/EC

How will businesses apply for the scheme?

The Future Growth Loan Scheme features a two-stage application process:

1. Applications for eligibility under the scheme will be made through the SBCI website. The SBCI will assess the applications and those successful will be issued an eligibility reference number
2. Apply for a loan under the scheme with one of the participating finance providers using the eligibility reference number

What are the expected loan terms under the scheme?

- Loans are for terms of 8-10 years
- Minimum loan amount of €100,000 for SMEs or €50,000 for primary agriculture
- Maximum loan amount of €3,000,000

- Loans of under €500,000 to be made on an unsecured basis

Approval of loans is subject to the finance providers' own credit policies and procedures.

What can the loans be used for?

Loans must be used for:

1. Investment in tangible or intangible assets for the purpose of process and organisational innovation, or
2. Investment in tangible and intangible assets on agricultural holdings linked to primary agricultural production

Will it be possible for loans granted under the scheme to be used to refinance existing loans?

No, loans granted under this scheme cannot be used to refinance existing loans.

Will businesses have to be clients of State Agencies such as Enterprise Ireland, the Local Enterprise Offices or Bord Bia?

No, the scheme is open to all eligible businesses, whether a State Agency client or not.

Will applicants be required to present a business plan as part of the application process?

Applications for loans under €250,000 will not require businesses to present a separate business plan once the loan application conforms to the guidance issued by the Consultative Committee of Accountancy Bodies Ireland and the Irish Banking Federation. For loans in excess of €200,000, a business plan must be completed as part of the application process. A template business plan will be provided.

Who are the participating finance providers?

Details of the participating finance providers will be provided at a later stage.

What is the State Aid basis for the scheme?

- For SMEs and the seafood sector, the Future Growth Loan Scheme will be administered under Article 29 of the General Block Exemption Regulation (GBER) state aid rules.
- For businesses involved in primary agriculture, the scheme will be administered under the Agricultural Block Exemption Regulation (ABER).

Will any sectors not be eligible for the scheme?

The normal European Investment Fund [Guidelines on restricted sectors](#) apply. These restrictions prohibit EIF from operations in certain economic sectors which are considered not to be compatible with the ethical or social basis of the public mission of the European Investment Fund.

However for the Future Growth Loan Scheme, EIF has approved a partial waiver for the spirits industry of up to 20% of the total guarantee facility.

What can I do if my loan application is refused by a finance provider after passing the initial eligibility?

In the event that a business has made a formal loan application to one of the participating lenders and has been refused, the applicant must first make an appeal to the lender. If this internal appeal is unsuccessful, then an appeal may be made to the Credit Review Office, if the lender is a participating bank.

When will the scheme be open for applications?

SMEs and farmers can apply for the scheme from 10th April, 2019. The scheme will run for three years.