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Scope of SMEs Targeted for Financial Assistance Due to Novel Coronavirus Expanded

Japan: Ministry of Economy, Trade and Industry

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Scope of SMEs Targeted for Financial Assistance Due to Novel Coronavirus Expanded

April 24, 2020

The Ministry of Economy, Trade and Industry (METI) will expand the definition of SMEs to be targeted for financial support due to the crisis caused by the novel coronavirus pandemic. Specifically, it will issue policies that expand the scope of industries subject to the “No.5 Safety Net for Financing Guarantee” to all industries and revise those industries which governmental financial institutes or Credit Guarantee Corporations have not designated as target industries subject to their financing or guarantees.

1. Expanding the scope of industries subject to the “No.5 Safety Net for Financing Guarantee”

Loan programs provided by private financial institutes will permit companies to borrow interest-free loans (in real terms) without offering collateral and with a grace period for principal up to five years, which will start after the establishment of the FY2020 Supplementary Budget, if such companies are users of a Safety Net for Financing Guarantee or an emergency-related guarantee. Under the current scheme, limited industries are entitled to the “No.5 Safety Net for Financing Guarantee”. METI will issue a policy for designating all industries as those subject to the Guarantee.

As for the designation date, METI schedules a date after the establishment of the Supplementary Budget but before the start of the interest-free loans (in real terms) by private financial institutions.



Note:

1. “No.5 Safety Net for Financing Guarantee” aims to support financing of SMEs and micro enterprises whose sales and other sources of revenue are declining. In this system, Credit Guarantee Corporations will guarantee 80% of the loan amount for such SMEs under a framework that is separate from a general financing guarantee (see Appendix 1).
2. For details of the current designated industries, see Appendix 2.

2. Revision of the industries which governmental financial institutes or Credit Guarantee Corporations have not designated as target industries for their financing or guarantees

Concerning the industries which governmental financial institutes or Credit Guarantee Corporations have not designated as target industries subject to their financing or guarantees, METI, in light of impacts on industries caused by the novel coronavirus disease, reviewed the current situations and other conditions of respective industries. As a result of the review, METI decided to designate additional industries as those subject to the financing or guarantees. Specifically, it will newly designate such industries as Pachinko parlors and off-track betting sites for bicycle, horse or boat racing as those subject to financing or guarantees provided by governmental financial institutes or Credit Guarantee Corporations.

In the meantime, the date of starting the operation of such financing or guarantees after this revision is scheduled to be in early May in 2020 at the earliest after METI completes necessary coordination.

- [Appendix 1: Overview of No.5 Safety Nets for Financing Guarantee \(in Japanese\)](#) (PDF:353KB) 
- [Appendix 2: Designated industries as those subject to No.5 Safety Nets for Financing Guarantee \(in Japanese\)](#) (PDF:540KB) 

Division in Charge

SME Financial and Subsidy Consultation Counter

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- [METI's Support Measures for Companies Concerning the Impacts of the Novel Coronavirus Disease](#)

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