

State aid: Commission concludes Dutch guarantee scheme to support fast growing medium and large-companies involves no aid

Under the GO scheme, the Dutch State guarantees 50% of new loans to companies, for up to 8 years. The GO scheme will run until the end of 2023, with the maximum annual amount of loan guarantees fixed at €400 million.

Loans guaranteed under the scheme can range from €1.5 million to €150 million, for which a guarantee fee is paid to the Dutch State by the banks issuing the loans. The Dutch authorities expect that this scheme will encourage banks to issue these loans on a larger scale than currently.

The Commission found that the guarantees give the Dutch State an appropriate remuneration level, ensuring that the scheme is self-financing, including administrative costs and the remuneration of virtual capital. This is the capital that a company operating on market terms would set aside as a precaution if it issued such a guarantee.

Therefore, the Commission concluded that the Dutch State guarantee scheme does not constitute State aid to the banks, nor to the borrowing companies.

Background

State aid rules are designed to accommodate the specific financing needs of small and medium-sized enterprises (SMEs). In particular:

- SMEs are not considered to be in difficulty if they are less than three years old. They can receive all forms of State aid during that period.
- Small firms can receive start-up aid during their first five years of existence. SMEs can also receive risk finance investments up to seven years after having made their first commercial sale.
- SMEs, like all other companies, can also receive state funding if it is granted on market terms – as is the case for the Dutch GO scheme.

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