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Updated 20.3.2020: new information is marked with colour red in this report

NEOGAMES FINLAND RY: COVID19 STATUS REPORT MARCH 2020
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The Finnish government launches a **15** billion euro COVID19 emergency support package for Finnish companies

The impact of the outbreak on the Finnish games industry

In the short run, within the next three months, the Finnish games industry is not among the sectors that are hit worst by the economic fallout following the COVID19 outbreak. We express our sympathy to all people and companies struggling for their future and call for support measures to limit the economic impact during the outbreak and kickstart the economy immediately after it ends. In particular, we hope that targeted support measures will be introduced for the hospitality industry and cultural sectors like music that have been hit particularly badly by the outbreak.

However, in the long run, before the end of the year, we will see bankruptcies also in the Finnish game developer community. The outbreak will have a particularly grim impact on microentrepreneurs and early-stage start-ups that were looking for an investor or publishing partner when the outbreak started. In an optimal case, a typical game industry early-stage start-up has a runway from half-a-year to one year. The trade missions and events cancelled during the first half of 2020 were crucial to these companies. Many of them will go bankrupt during the next twelve months without public intervention.

The emergency actions for the companies struggling with the outbreak:

Please note that most of the text below is based on an unofficial translation from Finnish to English and may thus not be 100% accurate

1. BUSINESS FINLAND: emergency actions by Business Finland R&D loan and grant instruments

- **Ongoing projects –more flexibility on project changes:**
 - **Extensions on project and repayment periods:** If your company is facing delays in your R&D projects due to outbreak, granting additional time is a normal course of action for Business Finland, and a delay resulting from coronavirus is a valid reason for a change of schedule.
 - **Speeding up payments:** If necessary, companies can shorten the project content and cost reporting frequency.
 - **Extensions and short term repayment-free periods for loans repayment:** Business Finland can extend the loan period and grant repayment-free periods typically no more than three years at a time.
 - **Flexible funding conditions:** The costs of cancelled trips can be invoiced in connection with normal project reporting to the degree that compensation cannot be sought elsewhere or the trip cannot be rescheduled.
 - **Extensions for fulfilling other financing conditions** related to projects funded by Business Finland
- **150 million euro through new emergency funding instruments for SMEs and midcap companies in danger due to COVID19 outbreak**
 - **Preparatory studies for disruptions in business activities (targeted specifically for creative and cultural industries, including games):** You can apply a max 10 000 EUR de minimis grant from Business Finland. The grant can be used for mapping and planning new business activities, alternative subcontracting chains or reorganising production to overcome disruptions caused by the COVID 19 outbreak.
 - **R&D grants for overcoming for disruptions in business activities:** You can apply a max 100 000 EUR de minimis grant from Business Finland for executing actions identified in the preparatory study or other means. The actions should focus on developing new products or new solutions for production.
- **If you know how to tackle a COVID19 related problem, now is time to act:** normal Business Finland R&D support actions are open for companies with novel and innovative solutions, technologies and innovations that could help in treating, testing, monitoring or targeting any other aspect of the outbreak.
- **For more information, please visit:** <https://www.businessfinland.fi/en/for-finnish-customers/coronavirus/>

2. FINNVERA: Emergency actions by Finnvera loan guarantee instruments

- **Increased flexibility for reorganising financing**
 - **Ask for help:** Finnvera takes a flexible approach towards all reorganisation needs of financing caused by the coronavirus.
 - **Six-month instalment-free period:** If you have a loan granted by Finnvera directly, you can apply for a six-month instalment-free period. You will only pay interest and expenses during the instalment-free period

- **Increasing the corporate loan portfolio from 2 billion to 12 billion EUR in 2020**
 - **The Start Guarantee** is directed at companies which have been operating for a maximum of three years. The total sum of Start Guarantees granted to one enterprise may not exceed EUR 80,000. The minimum amount for a Start Guarantee is EUR 10,000. Special guarantee undertaking lodged by the principal shareholders must cover 25% of Finnvera's guarantee sum
 - **The SME Guarantee** can be used to cover a loan of maximum EUR 150,000. The SME Guarantee for companies which have been in operation for more than three years. Finnvera's SME Guarantee, which does not require a countersecurity, can now, as an exception, be used for working capital needs in addition to financing investment.
 - **The Finnvera Guarantee** is intended for use as guarantee various domestic financing needs of SMEs, such as investments, working capital and financing required by business or enterprise acquisitions. The guarantee usually covers 50–80% of the loan or other financing commitment.
 - **The Start Guarantee and the SME Guarantee are applied for through a bank.** Companies should contact the bank directly, and the bank will send the application to Finnvera.
- **For more information,** please visit: <https://www.finnvera.fi/eng/growth/current-news-for-smes/current-news-for-smes>

3. ELY: Centers for Economic Development, Transport and the Environment (ELY-keskus) entrepreneur services and their de minimis grant instruments

- **Increased flexibility**
 - **Extensions on project periods and changes in projects:** ELY centres are ready to prolong the project periods and change the focus of ongoing projects. Please contact your ELY centre for more information.
 - **More flexible funding conditions:** For example, travel costs to events cancelled by the COVID19 outbreak are considered to be eligible costs under projects funded by ELY centres, if there is no other way to get the travel costs back.
 - **Speeding up payments:** If needed, companies can shorten the reporting periods in order to receive ELY centre funding sooner based on eligible cost.
 - **Possibly more de minimis funding per company:** The Finnish government has started to a notification process for increasing the upper limit of de minimis funding.
- **0,5 million euro investment in helping entrepreneurs to cope with the crisis caused by the outbreak**
 - **COVID19 info bank for entrepreneurs:** <https://www.yrittajat.fi/en/news/621352-corona-virus-frequently-asked-questions-and-answers-entrepreneur>
 - **Enterprise Finland hotlines for entrepreneurs**
 - **Support for entrepreneurs facing financial challenges:** +358 295024880 (Mo-Fr, 9.00–16.00)
 - **Support on other issues** 0295 020 500 (Mo-Fr, 9.00–16.15)
 - **Support for entrepreneurs on helping their employees to find new jobs in case of lay-offs:** https://www.te-palvelut.fi/te/fi/erikoissivut/muutosturva_asiantuntijat/index.html

- **Support for people laid off as an outcome of the outbreak:** http://www.te-palvelut.fi/te/en/information/use_te_services/news/2020-03-17-02/index.html
- **50 million euro emergency funding for companies**
 - **Funding for company development**
 - **New de minimis funding:** ELY centres will provide de minimis funding for softening the impact of the COVID19 outbreak and avoiding bankruptcies
 - **The last ERDF and ESF projects for the current funding period:**
 - The new funding round of ERDF and ESF in 2021: the remaining funds from the 2014-2020 ERDF and ESF funds will be made available for entrepreneurs during 2020. The new funding rounds of new ERDF and ESF projects are likely to start in Q2 2021.
 - **For more information, please visit (in Finnish):** <https://www.ely-keskus.fi/web/ely/koronavirustilanne>

4. TESI: TESI equity investments

- **Extended funding:** When needed TESI will provide extended funding for its investment funds and companies funded through them.
- **Stability fund:** Together with private investors, TESI is preparing a stability fund targeted for companies facing challenges in access to equity funding due to outbreak.

5. OTHER FINANCING INSTITUTIONS: Emergency actions by private banks and other public corporate loan financing institutions

- **Contact your bank as soon as possible if it looks like your business is going to face significant challenges due to the outbreak:** A number of Finnish banks are offering grace periods and extensions for loan repayments loans helping the companies to overcome short term challenges caused by the outbreak.

6. ART FINLAND: Emergency actions by Art promotion centre Finland (Taike)

- **Extended funding:** Taike has 0,9 million euro for emergency grants targeted for individual artists struggling with the financial impact of the outbreak.

More flexibility for corporate administration

1. REGULATION: New temporarily rules for layoffs

- **More flexible rules for layoffs**
 - The mandatory minimum notification time for employee co-operation negotiations and temporary layoffs is cut to five days.
 - Also, employees with fixed-term contracts can be temporarily laid off
 - Waiting periods for unemployment benefits will be removed
- **Unemployment benefits for entrepreneurs**
 - Unemployment allowance system will be widened to cover all entrepreneurs (including self-employed entrepreneurs and freelancers)

2. FINNISH TAX AUTHORITY: The Finnish Tax Administration supports businesses during the outbreak by increased flexibility

- **Normal flexibility:**
 - **Ask for extensions for deadlines:** The coronavirus pandemic may cause tax difficulties for entrepreneurs, companies and accountants. Because of this, you can request an extension to your tax return's filing deadline.
 - **Notify tax authority for reasons of late-filings:** If you file late due to a justified special reason, such as illness, you may not have to pay a late-filing penalty.
 - **Payment arrangements for companies in financial difficulties:** If your company is in financial difficulties, you can request a payment arrangement for the company's taxes.
 - **Change your prepayments when your financial outlook gets worse:** Please note that you can also request a change to your prepayments in MyTax if your company's profits for the year seem to be less than expected.
- **Increased flexibility**
 - **Faster processing times:** The Finnish Tax Administration allocates more resources to the processing of these cases in order to support businesses during this these exceptional circumstances.
 - **Quicker processing of VAT refunds:** The Finnish tax administration is expediting of the processing of VAT refunds.
 - **Eased payment arrangements:** The tax authority is investigating the possibility of easing the terms of payment arrangements in cooperation with the Ministry of Finance.
- **For more information, please visit:** <https://www.vero.fi/en/About-us/newsroom/news/uutiset/2020/the-finnish-tax-administration-supports-businesses-during-the-corona-pandemic/>

3. FINNISH PENSION SYSTEM: More flexibility and lower pension payments

- **More flexibility:** Mandatory pension payments can be delayed by three months (tbc)
- **Lower pensions payments:** The mandatory pension payments will be temporarily decreased by 2,6% (tbc)
- **Investing on pension funds:** The Finnish state pension fund is ready to invest 1 billion EUR on short term asset packet commercial papers (yritystodistus)
- **Increased loan guarantees for premium loans:** Part of the paid TyEL insurance contributions are transferred into a loan fund from which the companies can make withdrawals. The loan period is 1–10 years. Now you can get an 80% guarantee for the collateral from Finnvera.
- **For more information, please visit:** <https://www.tela.fi/teema/koronatilanne>

4. FINNISH PATENT AND REGISTRATION OFFICE: More flexibility

- **Shareholder meetings:** Finnish patent and registration office reminds that, unless the statutes of the company state otherwise, limited companies can organise their annual shareholder meetings as remotely.
- **For more information (in Finnish):**
https://www.prh.fi/fi/asiakastiedotteet/2020/P_20350.html

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