

COMPETITIVENESS OF ENTERPRISES AND SMALL AND MEDIUM SIZED ENTERPRISES LOAN GUARANTEE FACILITY

Loan Guarantee Facility

Single EU Debt Financial instrument
for Union enterprises' growth and research and innovation (R&I)

OPEN CALL FOR EXPRESSION OF INTEREST TO SELECT FINANCIAL INTERMEDIARIES UNDER THE COMPETITIVENESS OF ENTERPRISES AND SMALL AND MEDIUM SIZED ENTERPRISES LOAN GUARANTEE FACILITY

(Published on 4th August 2014

Amended and updated on 6 April 2020 and 15 December 2020)

The objective of this Open Call for Expression of Interest, launched by the European Investment Fund, is to select eligible financial institutions to become Financial Intermediaries under the COSME – Loan Guarantee Facility (“**COSME LGF**” or “**the Facility**” or “**EU Guarantee**”).

To learn more about the COSME Programme visit http://ec.europa.eu/growth/smes/cosme/index_en.htm.

All applications for the COSME LGF to be submitted to the EIF should conform to this Open Call for Expression of Interest.

Overview of the changes introduced on 6 April 2020 to the Call for Expression of Interest

COVID-19 Support measures

On 13 March 2020, the Commission published the Communication on the *Coordinated economic response to the COVID-19 outbreak*¹. In these circumstances, as part of the policy response to address the economic disruption caused by COVID-19, the Facility has been amended to facilitate the availability of finance to businesses, in particular through liquidity facilities and working capital finance (hereinafter

¹ COM(2020) 112 final

“COSME LGF COVID-19 Sub-window”) while continuing to support high risk SMEs as well as digital transformation of SMEs.

As a result, a specific **COSME LGF COVID-19 Sub-window** is opened under this Call For Expression of Interest with additional budgetary resources made available through the European Fund for Strategic Investments (EFSI) for a total of EUR 714 million as further described in Schedule 1 below and in the [Addendum introducing COVID-19 Support Measures](#).

While the new EFSI budgetary amounts under COSME LGF COVID-19 Sub-window are only available to Financial Intermediaries established and operating in EU Member States, the improved conditions made available under the COSME LGF COVID-19 Sub-window are available to all Financial Intermediaries established in any Participating Country².

To access this additional guarantee capacity, Financial Intermediaries will need to apply to this Call in the manner described in Schedule 1 of this Call **until and including 30 June 2020 (COSME COVID 19 Sub-window Deadline)** provided that EIF may, in agreement with the EC, determine that the COSME COVID 19 Sub-window Deadline will end on any other date depending, inter alia, on the availability of the budgetary resources for the Facility or any amendment to the COSME Agreement. Any change in the COSME COVID 19 Sub-window Deadline will be announced officially in the Facility section of EIF’s website. The Application shall be in line with the dedicated sub-window application process (cfr. Schedule 1 below). The COSME LGF COVID-19 Sub-window will cover **Portfolios of working capital financing transactions** with loan amount of up to EUR 150,000 and minimum 12 months maturity originated by selected Financial Intermediaries **up to (and including) 30 June 2021³**.

In addition to increased guarantee support provided under the COSME LGF COVID-19 Sub-window, existing Financial Intermediaries (previously selected under COSME LGF) will be able to benefit from improved guarantee terms with respect to transactions originated or being originated in the context of an existing COSME Guarantee Agreement as further described in the [Addendum introducing COVID-19 Support Measures](#) without any formal application process, by executing an amendment to their agreements in line with the specific **Notice to Financial Intermediaries** to be published on the EIF website.

All applications for guarantees or counter-guarantees under the Facility to be submitted to the EIF should conform to this Open Call for Expression of Interest. Any specificities relating to the application process under COSME LGF COVID-19 Sub-window are set out in schedule 1 below.

1. Loan Guarantee Facility

On 11 December 2013, Regulation (EU) No 1287/2013 of the European Parliament and of the Council establishing a Programme for the Competitiveness of Enterprises and Small and Medium-sized Enterprises (2014-2020) (the “**Legal Basis**”) was adopted, thereby establishing the Facility. The Facility aims to increase access to finance to SMEs through effective portfolio credit risk transfer (via a guarantee).

Pursuant to the Delegation Agreement between the European Union (the “EU”) and the European

² Please note that at the time of publication of this amended Call for Expression of Interest, the budgetary resources for the COSME LGF are almost exhausted. The EIF will therefore only be able to sign guarantee agreements with Financial Intermediaries in Participating Countries (other than EU Member States) in case additional budgetary resources for the COSME LGF become available.

³ Please refer to question 6 of the document COVID-19 Support Frequently Asked Questions

Investment Fund (the “EIF”) in respect of the Financial Instruments under COSME dated **22 July 2014** (the “**COSME Agreement**”), the EIF has been entrusted by the EU to implement the Facility.

Under this Facility, EIF shall provide:

- (i) first-loss capped guarantees and counter-guarantees to selected Financial Intermediaries, using the EU's COSME contribution and the reinforcement of resources under EFSI; and/or
- (ii) under the COSME LGF securitisation option, guarantees on mezzanine tranches of the securitised portfolio of the selected Financial Intermediaries.

In July 2019, the Delegation Agreement was amended to incorporate the COSME Digitalisation Pilot⁴ with the purpose of enhancing access to finance to SMEs undertaking a digital transformation.

The general terms of (Counter-) Guarantee Agreements to be entered into under the Facility are further described in the Annexes II, III and IV⁵ to this Open Call for Expression of Interest.

2. Eligible Financial Intermediaries

This Open Call for Expression of Interest is addressed and restricted to Financial Intermediaries established and operating in one or more of the Participating Countries (as defined below) that are:

- a) in respect of Guarantees and of the Securitisation option provided under the Facility: public or private entities (including credit or financial institutions or loan (debt funds), if applicable, duly authorised to carry out Debt Financing activities according to the applicable legislation;
- b) in respect of Counter-Guarantees provided under the Facility: public or private (Counter-) guarantee schemes, (Counter-) guarantee institutions or other entities, credit or financial institutions, if applicable, duly authorised to issue guarantees according to the applicable legislation;

Applicants shall represent that they are not in any of the situations of exclusion, as further described in Annex IA or Annex IB, as applicable, to this Open Call for Expression of Interest.

Applicants including the managers thereof shall (i) comply with relevant international and EU standards and legislation, where applicable, on the prevention of money laundering, the fight against terrorism, tax fraud, tax evasion and artificial arrangements aiming at tax avoidance and (ii) not be established in a Non-Compliant Jurisdiction unless the operation is physically implemented in the relevant Non-Compliant Jurisdiction and does not present any indication that it supports actions that contribute to targeted activities.

The EIF Anti-Fraud Policy, the EIB Group Policy towards Weakly Regulated, Non-transparent and Non-cooperative Jurisdictions and Tax Good Governance, the EIF Transparency Policy and the Guidelines on EIF Restricted and Excluded Sectors, shall apply to the (Counter-) Guarantee Agreements under the Facility. For further information please refer to:

https://www.eif.org/attachments/publications/about/Anti_Fraud_Policy.pdf

https://www.eib.org/attachments/strategies/eib_group_ncj_policy_en.pdf

https://www.eif.org/news_centre/publications/eif-transparency_policy_01022016.pdf

https://www.eif.org/attachments/publications/about/2010_Guidelines_on_restricted_sectors.pdf

The criteria set out above shall apply mutatis mutandis to the Financial Sub-Intermediaries, if applicable.

⁴ As further defined below and in Annex V.

⁵ With the Annex II being the Capped Direct Guarantee Term-Sheet, Annex III the Capped Counter-guarantee Term-Sheet, Annex IV the Securitisation Term-Sheet and Annex V the Digitalisation Pilot.

3. Definitions and Interpretation

In this Call for Expression of Interest, capitalised terms and expressions shall have the meaning attributed to them below or as elsewhere defined in this document and its Annexes, unless the context requires otherwise.

Applicant	Means an entity applying to this Call for Expression of Interest as a potential, future Financial Intermediary.
Financial Intermediary	Means (i) any financial institution or credit institution duly authorised, if applicable, to carry out lending or leasing activities or providing bank guarantees according to the applicable legislation or (ii) any guarantee scheme, guarantee institution or other financial or credit institution duly authorised, if applicable, to issue guarantees according to applicable legislation.
(Counter-) Guarantee Agreement	Means any guarantee or counter-guarantee agreement or any other relevant instrument providing credit protection executed by the EIF under the scope of the COSME LGF.
Data Protection Statement	Means the EIF statement on the processing operations of Applicants and Financial Intermediaries' personal data, as published on the EIF's website: http://www.eif.org/attachments/eif_data_protection_statement_financial_intermediaries_due_diligence_en.pdf
Deadline	Means at the latest by 31 October 2020 or such earlier date as may be announced officially in the Facility section of EIF's website. (The deadline for the COVID-19 Sub-window, which is the COSME COVID 19 Sub-window Deadline.)
Operation	Means a transaction entered into between the EIF and a Financial Intermediary under a (Counter-)Guarantee Agreement.
Eligibility Criteria	Means jointly the Final Recipient Transaction Eligibility Criteria, the Final Recipient Eligibility Criteria, the Financial Intermediary Eligibility Criteria, the Financial Intermediary Transaction Eligibility Criteria, the COSME Enhanced Access to Finance (EAF) Criteria defined in the Annex II and III (respectively the indicative Direct Guarantee Term Sheet and the indicative Counter-guarantee Term Sheet), the specific Eligibility Criteria under the COSME Digitalisation Pilot as set out in Annex V and the specific Eligibility Criteria under the COSME LGF Covid-19 Sub-window set out in Addendum introducing COVID-19 Support Measures
COSME Digitalisation Pilot	Means the pilot initiative under COSME LGF, to support the digital transformation of SMEs for which indicative additional terms for COSME LGF (Counter-) Guarantee are set out in Annex V.
Participating Countries	Means the countries covered by the COSME LGF. As at the date of amendment of this Call for Expression of Interest, the countries covered by the COSME LGF comprise the EU Member States, Iceland, Montenegro, Turkey, North Macedonia,

	Albania, Serbia, Bosnia and Herzegovina and Kosovo ⁶ . Additional countries may potentially be added to the list of Participating Countries of the COSME Programme at a later stage. For up-to-date information, please consult the COSME Portal: http://ec.europa.eu/growth/smes/cosme/index_en.htm
Expression of Interest	Means an application to the Open Call for Expression of Interest submitted to EIF within the Deadline, conforming to the provisions of Annex Ia or Annex Ib, as applicable, to this Open Call for Expression of Interest.
Non-Compliant Jurisdiction ("NCJ")	<p>A jurisdiction (i) listed in the Annex I of the Council of the European Union conclusions on the revised European Union list of non-cooperative jurisdictions for tax purposes, adopted by the Council of the European Union at its meeting held on 18 February 2020, and/or (ii) listed in the Annex of the Commission Delegated Regulation (EU) 2016/1675 of 14 July 2016 supplementing Directive (EU) 2015/849 of the European Parliament and of the Council by identifying high-risk third countries with strategic deficiencies, and/or (iii) rated as "partially compliant", "provisionally partially compliant" or "non-compliant" by the Organisation for Economic Cooperation and Development and its Global Forum on Transparency and Exchange of Information for Tax Purposes and/or (iv) included in the Financial Action Task Force "Public Statement" (i.e. countries or jurisdictions with such serious strategic deficiencies that the Financial Action Task Force calls on its members and non-members to apply counter-measures or for which the Financial Action Task Force calls on its members to apply enhanced due diligence measures), and/or (v) included in the Financial Action Task Force statement "Improving Global AML/CFT Compliance: On-Going process" (i.e. countries or jurisdictions with strategic weaknesses in their AML/CFT measures but that have provided a high-level commitment to an action plan developed with the Financial Action Task Force), in each case as such statement, list, directive or annex may be amended and/or supplemented from time to time.</p> <p>Furthermore, where the relevant support is not reserved for operations, projects or activities implemented in the same jurisdiction where the concerned Applicant is incorporated, the Applicant shall not be incorporated in a Non-Compliant Jurisdiction.</p> <p>Please enquire with EIF for confirmation of Non-Compliant Jurisdiction status.</p>

4. The application procedure

Applications to this Call for Expression of Interest shall be submitted to EIF before the Deadline in order to be considered in the form of [Annex IA](#) to this Call. For existing Financial Intermediaries (previously selected under COSME LGF), please refer to section 8 here below.

Following the successful outcome of the selection process of the applications, the (Counter-) Guarantee Agreement may be signed with the Applicant. The ultimate decision on the agreement shall be made at the discretion of the EIF, in line with the mandate given by the EU for the implementation of this

⁶ This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.

Facility and the availability of resources allocated to this Facility.

In accordance with Annex IA to this Open Call for Expression of Interest, the application should include the Applicant's identification and the Information Requirements with supporting documents.

Annex Ia is composed of two appendices:

1. Applicant Identification Form
2. Minimum Information Requirements

Applicants may send questions regarding the Open Call for Expression of Interest. EIF shall analyse incoming questions and may publish from time to time the answers in the form of FAQ (Frequently Asked Questions) document posted in the Facility section of the EIF's website (www.eif.org). EIF reserves the right to update the FAQ document from time to time as and when it is deemed appropriate.

For Applicants that have applied previously to other EIF guarantee programmes within 12 months preceding the submission date of their Expression of Interest under this Call, the information requirements included in Appendix 2, Section A of Annex IA to this Call can be limited to the relevant updates or material changes and differences from the latest Expression of Interest presented to EIF under such other EIF guarantee programme, in particular highlighting the specific characteristics of the Applicant business practices applicable to SME lending.

The Applicant shall indicate such Expression of Interest, and associated identifier (if applicable), which shall be used by EIF for the purpose of the pre-selection process under the COSME LGF and EIF reserves the right to request clarifications and any additional information during the pre-selection process.

For avoidance of doubt, applications falling within the scope of COSME LGF COVID-19 Sub-window as specified in the [Addendum introducing COVID-19 Support Measures](#), will be processed with priority over applications falling outside of the COSME LGF COVID-19 Sub-window.

5. Language and governing laws

The Expression of Interest shall be prepared in English.

The terms of the (Counter-) Guarantee Agreement shall be in English. The (Counter-) Guarantee Agreement shall be governed by English law.

Financial Intermediaries acknowledge that they may be requested to use a digital signature for the purpose of signing the (Counter-) Guarantee Agreement.

6. Submission of Expression of Interest

The Deadline for submission of the Expression of Interest is at the latest by **31 October 2020 except in the case of the COVID-19 Sub-window** for which the deadline is the COSME COVID 19 Sub-window Deadline provided that EIF may, in agreement with EU, determine that the Deadline will end on an earlier date depending, *inter alia*, on the availability of the budgetary resources for the Facility or any amendment to the COSME LGF Agreement. Any change in the Deadline will be announced officially in the Facility's section of the EIF's website.

The Expression of Interest shall be submitted, in PDF duly signed form, before the Deadline by e-mail to: cosme.lgf@eif.org stating in the subject, as appropriate, "COSME LGF– Expression of Interest: [name of the Applicant]", and should contain the complete set of relevant documentation, including the Expression of Interest duly signed and any attachment to it (in PDF or other applicable electronic format).

The Deadline applies to the reception of the e-mail by EIF.

An acknowledgement of receipt will be sent to the relevant Applicants by EIF via e-mail, which shall state the confirmation that the Expression of Interest was received before the Deadline. The submission

of Expression of Interest will only be considered as effective once this acknowledgement of receipt has been sent.

The acknowledgement of receipt shall not be construed as a declaration of completeness of the Expression of Interest and the documents submitted therewith, nor any kind of assessment or acceptance of the same.

The Applicants may withdraw, in the same manner as specified above, their Expression of Interest at any stage of the selection process.

7. Selection process

Financial Intermediaries shall be selected on a continuous basis and in a generally chronological order, aside from priority given to COSME LGF COVID-19 Sub-window applications until the COSME COVID 19 Sub-window Deadline as mentioned in section 4 above and in due consideration of the general principles of transparency, equal treatment, proportionality, avoidance of conflicts of interests and non-discrimination, with due account of the nature of the COSME LGF, the experience and the operational and financial capacity of the Financial Intermediaries, in compliance with EIF's statutes, policies, rules and procedures and best business practices.

The Expressions of Interest for the Guarantee, the Counter-Guarantee and the Securitisation option under the Facility shall be subject to the selection process as outlined in more detail below. The budgetary allocation between the Counter-Guarantee, the Guarantee, the Securitisation option, countries or regions is not set ex-ante but shall be demand-driven.

EIF shall assess, on a continuous basis, the applications received pursuant to the selection process outlined in the following sections.

Any personal data provided by the Applicants shall be processed by EIF in compliance with its Data Protection Statement and the Regulation (EU) 2018/1725 on the protection of individuals with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, as amended from time to time.

The selection process of each Applicant comprises of the following steps, provided that each step was concluded with a positive result:

- 1 Pre-Selection
 - 1.1 Compliance with all formal criteria
 - 1.2 Application Based Scoring
- 2 Due Diligence and Amended Scoring
- 3 Final Selection and Approval Process

During the entire selection process until entering into a (Counter-) Guarantee Agreement with an Applicant, EIF has full discretion to consider or not Applicants and no Applicant has any claim or other right or may expect to be ultimately selected as an Intermediary for the COSME LGF. **Any negotiation of the terms and conditions of (Counter-) Guarantee Agreements by no means entails any obligation for EIF to enter into such (Counter-) Guarantee Agreement with an Applicant.**

As further described in the sections below, when assessing the application, EIF will apply its professional analysis and judgment.

The Expressions of Interest shall be subject to a uniform selection process, specific to either the capped (Counter-) Guarantee or Securitisation expression of interest, as outlined in more detail below.

7.1. Pre-selection

Applications will be assessed by EIF for pre-selection on the basis of the Expressions of Interest, on a “first come, first assessed” basis.

7.1.1 Compliance with all formal criteria

EIF shall assess whether the COSME LGF application has been submitted in accordance with the provisions of this Call for Expression of Interest and that all necessary supporting documents are provided (in the form requested if specified), including:

1. The Applicant declares that it:
 - a. is established and operating in one of the Participating Countries;
 - b. is authorised to carry out its business under the applicable regulatory framework;
 - c. is not established in a Non-Compliant Jurisdiction unless the operation is physically implemented in the relevant Non-Compliant Jurisdiction and does not present any indication that it supports actions that contribute to targeted activities;
 - d. is not in the situation of exclusion, as validly represented in the form outlined in Annex Ia to the Open Call for Expression of Interest;
 - e. does not perform any illegal activities according to the applicable legislation of the country of establishment of the Applicant, as validly represented in the Expression of Interest;
2. The Expression of Interest has been submitted and prepared in accordance with the Open Call for Expression of Interest and that all required representations, information and supporting documentation required thereunder are provided (in the form requested, where specified).

Only applications that meet all formal criteria may continue to go through the next step of the selection process.

7.1.2 Application Based Scoring

After completion of the formal checks of the received Expressions of Interest, EIF will pre-select the Applicants according to the evaluation criteria set out below. EIF assesses the quality of the application and its impact and inserts the scores achieved in a matrix determining the result of such assessments as described below.

7.1.2.1. Assessment of the quality of the contents of the application

In the quality assessment EIF will evaluate the overall quality of the contents of the application and of the Applicant. The criteria listed below are assessed based on the application provided and at the discretion of EIF. Based on the quality assessment, EIF shall assign the “quality score” to the application, being A, B or C.

For **capped (Counter-) Guarantee Expressions of Interest**, the quality assessment is performed as set out below:

- a) Capacity of the Applicant to comply with all contractual obligations under the (Counter-) Guarantee Agreement;
- b) Capacity of the Applicant to manage risk of the Operation;
- c) The experience and ability of the Applicant to finance, or facilitate finance to, SMEs. This shall be

assessed by EIF based, *inter alia*, on the track record of the Applicant's SME activity in lending or leasing, or guaranteeing such transactions; and

- d) Quality and plausibility of the COSME LGF implementation proposal, with particular focus on the COSME LGF implementation, marketing and rollout strategy, proposed volumes, previous experience working with international financial institutions, etc.

And for **Securitisation Expressions of Interest**:

- a) Capacity of the Applicant to comply with all contractual obligations under the (Counter-) Guarantee Agreement;
- b) Capacity of the Applicant to manage risk of the Operation;
- c) The experience and ability of the Applicant to finance SMEs. This shall be assessed by EIF based, *inter alia*, on the track record of the Applicant's SME activity in lending or leasing, or guaranteeing such transactions; and
- d) Quality and plausibility of the COSME LGF implementation proposal, with particular focus on proposed volumes and the proposed portfolio to be securitised.

7.1.2.2. Assessment of the impact of the application

EIF will also assess the proposed and envisaged Enhanced Access to Finance features expected from the application, *inter alia vis-à-vis* the requirements of the Facility, as well as its likely impact on the aggregate Facility portfolio (e.g. geographical coverage, expected loss of the portfolio, participation in the Digitalisation Pilot). Based on this assessment EIF shall assign the "Impact score" to the application, being 1, 2 or 3.

For **capped (Counter-) Guarantee Expressions of Interest**, the impact assessment is performed as set out below:

- a) the assessment of the proposed and envisaged COSME LGF portfolio, specifically with regard to providing enhanced access to finance and the expected loss and granularity of the proposed COSME portfolio; and
- b) the impact of the application on the geographical distribution of the overall current and expected aggregate portfolio, and
- c) where the Applicant proposes to participate in the COSME Digitalisation Pilot, the proposed collateral policy applicable to such transactions, when compared to the minimum requirements specified in Annex V.
- d)

And for **Securitisation Expressions of Interest**:

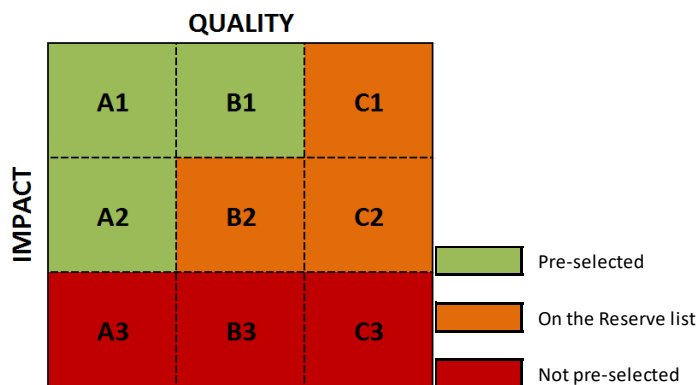
- a) the assessment of the expected leverage effect (measured by the volume of additional portfolio divided by the EU budget committed); and
- b) the anticipated positive impact in the local development of the SME securitisation market.

7.1.2.3 Combining Quality and Impact Assessment

As a next step, the quality and the impact assessment pre-selection scores are put together in a matrix.

Only applications with combined pre-selection "quality" and "impact" scores A1, A2 or B1 are "Pre-selected". Applications with combined pre-selection scores A3, B3 or C3 are "Not pre-selected". Applications with combined pre-selection scores B2, C1 or C2 are included in a reserve list ("On the Reserve list"), which remains valid until the Deadline.

The application classification table below summarizes possible outcomes:



All Applicants will be sent a notification by email about the result of the pre-selection application scoring process ("Pre-selected", "On the reserve list" or "Not pre-selected").

"Pre-selected" Applicants are advanced to the due diligence phase of the process as referred to in section 7.1.3 below.

EIF will process all "pre-selected" applications chronologically, with the date of application receipt being the principal criterion. Reserve listed applications are taken forward depending on, *inter alia*, budget availability and geographical coverage criteria. However, EIF maintains the right to fast track applications that have been received on a later date, or are on the reserve list, in order to ensure a wide geographical coverage and to maximize the reach of the COSME LGF (including the COSME Digitalisation Pilot).

EIF may suspend or abandon the pre-selection process at any time and no Applicant may claim any right to be pre-selected or included on the reserve list as described above.

EIF will communicate the outcome of the pre-selection to each Applicant via e-mail. For pre-selected Applicants, if after 12 months from the date of the communication no agreement could be found with the Applicant as to how a transaction, meeting the programme requirements, would be structured, EIF reserves the right to consider such Expression of Interest as reserve listed.

7.1.3. Due diligence and Amended Scoring

For Pre-selected applications the next step may be the due diligence process, carried out in accordance with EIF's internal rules and procedures, where operational matters relating to the COSME LGF implementation shall be covered, with a main focus on:

- General Information such as the institution's business plan with regard to COSME LGF SME lending/guaranteeing, the origination, risk management, collection recovery/workout and the ability to comply with the reporting requirements, including a questionnaire on compliance-related issues (AML/CFT and Tax Structuring);
- Financial Information such as funding sources and ownership structure;
- Pricing policy as set out in the Applicant's internal guidelines with a particular focus on how it would apply to Final Recipients supported under the Facility (for Applicants applying under OPTION 1, there will be a particular focus to the envisaged pricing of the new product vis-à-vis existing products/the Applicant's pricing policy);
- Enhanced Access to Finance proposal with a particular focus on the applicant's ability to build up the envisaged Portfolio and/or the envisaged additionality features; and
- Information, in the form of a questionnaire, on how Environmental, Social, Governance ("ESG") factors form part of the applicant's business decisions (focusing on the relevant business segments covered by this Expression of Interest).

After the final terms of the proposal are agreed between EIF and the Financial Intermediary, following the due diligence and ensuing discussions, EIF will consider each application's score and amend if needed, in light of the additional information received, by applying the same matrix presented above.

Know Your Customer ("KYC") documents to be included in the Expression of Interest are specified in Appendix 3 to the Expression of Interest. EIF reserves the right to request further KYC documents from pre-selected applicants.

7.2. Final Selection and Approval Process

Subject to the satisfactory outcome of the due diligence (i.e. if the amended score is "Pre-Selected" and the Applicant wishes to proceed with the application process) and, if needed, additional information provided, the EIF would request its Board approval for the COSME LGF Guarantee Agreement to be entered into with the Financial Intermediary. Subject to internal approval, the application is considered as "Selected".

EIF is, at no point in time, under any obligation to enter into a COSME (Counter-) Guarantee Agreement with a (pre-) selected Applicant.

Those Applicants, whose Expression of Interest is rejected, shall have the right to submit a written complaint by e-mail, registered mail or professional courier service, to the same address used for the submission of the Expressions of Interest above, within the timeline provisioned within the relevant EIB Group complaints policy. Any complaints will be dealt within the framework of and in accordance with the EIB Group complaints policy⁷.

The participation of any institution in the COSME LGF will depend, *inter alia*, on the budget available and other considerations made by EIF such as, without limitation, the outcome of the due diligence and the result of negotiations with the institution.

8. Increases

Following the signature of a (Counter-) Guarantee Agreement, the Financial Intermediary may (pursuant to the terms of the (Counter-) Guarantee Agreement) originate and include transactions up to the maximum portfolio volume permitted under the (Counter-) Guarantee Agreement. The Financial Intermediary may propose an increase, e.g. under the COSME LGF COVID-19 Sub-window, of the maximum portfolio volume (either by amending an existing (Counter-) Guarantee Agreement or entering into a new one) by filling out the applicable [Annex IB to this Call](#) and submitting the signed PDF copy by e-mail to cosme.lgf@eif.org. EIF may, at its full discretion, consider such requests, subject to available budgetary resources, in line with the steps and criteria set out in 7.1 and 7.2 above, as applicable, and taking into account the current progress in the implementation of the (Counter-) Guarantee Agreement by the Financial Intermediary.

9. Publishing of information on the Financial Intermediaries⁸

9.1. EIF shall publish on its website each year a list of Financial Intermediaries, Financial Sub-Intermediaries and Final Recipients supported through the programme, which shall include:

- a) for each Financial Intermediary the name and address of the Financial Intermediary with whom the EIF has signed a (Counter-) Guarantee Agreement, as well as an indication of the cap amount of the (Counter-) Guarantee Agreement in EUR or in a Tradable Currency, as the case may be. Furthermore, the list shall provide an indication of the type of financing that is being made available through the portfolios covered by the guarantee. In the case of securitisation transactions, the list shall provide an indication of the type of financing that is being made available through the additional portfolio.
- b) a list of Sub-Intermediaries used for the implementation of the COSME LGF, containing for each Financial Sub-Intermediary the name and address and the type of finance received under the COSME LGF.
- c) a list of Final Recipients that receive financing exceeding the threshold of EUR 500,000 (or non-

⁷ For further information visit: <http://www.eib.org/about/publications/complaints-mechanism-policy.htm>

⁸ EIF shall also publish the information on the Final Recipients, as further detailed in the Annex II, III and IV to this Open Call for expression of interest.

euro equivalent), containing for each Final Recipient the name and address and country of establishment (in the case of natural persons the address shall be replaced by NUTS level 2 codes) and type of financing received under the COSME LGF.

The Financial Intermediary, Financial Sub-Intermediaries and Final Recipients may, prior to receiving financial support under the Facility, declare in writing (including by a representation in the relevant agreement) that the publication requirement set out above risks harming its commercial interests or risks threatening the rights and freedoms of individuals concerned as protected by the Charter of Fundamental Rights of the European Union, on the basis of a written justification. In addition such publication shall not be required if it would be illegal under the applicable laws and regulations⁹.

With a view to promoting the Facility, EIF may use or publish information related to the Financial Intermediary in its possession which is not commercially sensitive in press releases on any website of EIF and/or the Commission. The Financial Intermediary hereby undertakes to promptly provide the EIF with suitable web-based information, including, but not limited to, contact details for publication on such website.

9.2. EIF TRANSPARENCY POLICY

Within the framework of the EIF's Transparency Policy¹⁰ (the "**EIF Transparency Policy**"), EIF is committed to the guiding principle of promoting transparency with respect to its operational and institutional activities.

Pursuant to this guiding principle, and in accordance with the EIB Group approach and undertakings to promote transparency and good administrative practice, EIF has adopted the practice of publishing the minutes of the Board of Directors ("**Board minutes**") on its website, following their approval and signature.

The published Board minutes only indicate those operations presented for decision which have been approved and, as a general rule, contain a summary indicating the project name, the nature of the operation, the geographical focus and the relevant EIF-managed resources.

The EIF Transparency Policy also recognises the need for EIF to balance transparency with confidentiality undertakings and the protection of commercially sensitive or personal data, with a view to EIF satisfying its legal obligations to, and maintaining the confidence and trust of, its business partners, investors and third parties.

Consequently, should an Application receive the relevant EIF internal authorisation for submission to EIF's Board of Directors and be approved by the Board thereafter, and should an Applicant deem that the publication of such a summary would expose sensitive or confidential information, for which there would be a compelling reason not to disclose, the Applicant shall make a declaration to that effect in the submission of the Expression of Interest resulting in the information in question being edited out of the published Board minutes and, subject to any applicable confidentiality undertakings, only being made public in connection with the signature of the operation in question.

If EIF has not received such declaration confirming that an Applicant does not agree to the publication of the aforementioned operational overview in the Board minutes, EIF will consider that it is acceptable to the Applicant and each Participating Entity, if applicable, and will proceed with publication on EIF's website as indicated above.

⁹ As substantiated by a Financial Intermediary with a legal opinion.

¹⁰ http://www.eif.org/news_centre/publications/EIF_Transparency_policy.htm?lang=-en

Schedule 1 to the Call for Expression of Interest

COSME LGF COVID-19 Sub-window

When applying under COSME LGF COVID-19 Sub-window, the provisions listed under Sections 1-9 above shall apply unless explicitly provided otherwise in this schedule 1.

1. Eligible Financial Intermediaries

While the new EFSI budgetary amounts under COSME LGF COVID-19 Sub-window are only available to Financial Intermediaries established and operating in EU Member States, the improved conditions made available under the COSME LGF COVID-19 Sub-window are available to all Financial Intermediaries established in any Participating Country¹¹. The COSME LGF COVID-19 Sub-window Open Call for Expression of Interest is addressed and restricted to Financial Intermediaries with respect to Portfolios of Transactions covering only working capital financing, with loan amount up to EUR 150,000 and minimum 12 months maturity, originated by selected Financial Intermediaries up to (and including) 30 June 2021¹², as specified further in the [Addendum introducing COVID-19 Support Measures](#).

For avoidance of doubt, already selected Financial Intermediaries that are located in a Participating Country outside the EU Member States have the immediate possibility of benefitting from the improved conditions made available under the COSME LGF Covid-19 Sub-window, under the terms of the existing Guarantee Agreement, provided that no additional Guarantee Cap Amount would be required.. Interested Financial Intermediaries should contact EIF at the following e-mail address: cosme.lgf@eif.org.

The other conditions set out in section 2 of this Call shall apply *mutatis mutandis*.

2. Budgetary resources

The aggregate amount of Counter-guarantees to be provided to Financial Intermediaries under COSME LGF COVID-19 Sub-window is equal to EUR 714 million, made exclusively available through EFSI.

Any increase of the (Counter-) guarantee Cap amount of existing (Counter-) guarantee agreements or any new (Counter-) guarantee Cap amount to new (Counter-)guarantee agreements is limited to:

- EUR 25 million equivalent for direct guarantees and
- EUR 50 million equivalent for counter-guarantees and on-lending transactions

and shall be dedicated to Portfolios composed of COVID-19 Intermediary Transactions/ Final Recipient Transactions. Any higher amount of the (Counter-) guarantee Cap amount is subject to approval of the European Commission.

¹¹ Please note that at the time of publication of this amended Call for Expression of Interest, the budgetary resources for the COSME LGF are almost exhausted. The EIF will therefore only be able to sign guarantee agreements with Financial Intermediaries in Participating Countries (other than EU Member States) in case additional budgetary resources for the COSME LGF become available.

¹² Please refer to question 6 of the document COVID-19 Support Frequently Asked Questions.

3. Submission of Expression of Interest

The Expression of Interest under COSME LGF COVID-19 Sub-window shall be submitted by the **COSME LGF COVID-19 Sub-window Deadline**.

The Expressions of Interest shall be sent in an electronic signed PDF version to: cosme.lgf@eif.org, stating, in the subject of the email, as appropriate: "COSME LGF –COVID 19 Sub-window - Expression of Interest: [name of the Applicant]".

The other conditions set out in section 6 of this Call shall apply *mutatis mutandis*.

4. Selection process

Applications will be assessed by EIF for pre-selection on the basis of the Expressions of Interest, on a "first come, first assessed" basis, applying the selection process set out in section 7.

Cfr. 7.1.2.2. Assessment of the impact of the application

For **capped (Counter-) Guarantee COVID-19 Expressions of Interest**, the impact assessment will additionally include the assessment of complementarity to existing support schemes in the relevant country(-ies) of operation (e.g. COVID-19 national support programmes), if any.

a) New Applicants

New applicants, who do not have, on the date of the application, an active (Counter-)guarantee agreement under the Facility shall submit their expression of interest under **COSME LGF COVID-19 Sub-window** using [Annex IA](#) to this Call.

b) Existing Financial Intermediaries (previously selected under COSME LGF)

Existing Financial Intermediaries who have, on the date of the application, an active (Counter-) guarantee agreement under the Facility shall submit their expression of interest under COSME LGF COVID-19 Sub-window using [Annex IB](#) to this Call.