



**An Bille fá Chomhaontú um an gCiste Eorpach
Infheistíochta, 2018**
European Investment Fund Agreement Bill 2018

Meabhrán Mínitheach agus Airgeadais
Explanatory and Financial Memorandum



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EXPLANATORY AND FINANCIAL MEMORANDUM

Introduction

This Bill provides the Minister for Business, Enterprise and Innovation and the Minister for Agriculture, Food and the Marine with the power:

- to enter into agreements with the European Investment Fund (EIF), with the consent of the Minister for Finance and the Minister for Public Expenditure and Reform, with respect to the provision of a counter guarantee by the EIF, to facilitate access to finance for eligible businesses;
- under that agreement, to provide the necessary funding (from Voted expenditure, with the approval of the Minister for Public Expenditure and Reform).

This will facilitate the introduction of the Future Growth Loan Scheme into the Irish market in early 2019. This scheme will provide long-term financial support to SMEs, including those in the primary agriculture and food sectors to allow them to strategically invest in a post Brexit environment.

Main Provisions

Section 1 defines the “relevant Minister” as the Minister for Business, Enterprise and Innovation or the Minister for Agriculture, Food and the Marine.

Section 2 provides the relevant Ministers with the power to enter into agreements with the EIF, which includes providing the necessary financial contribution and limiting this to an aggregate total of €75 million should the Ministers wish to implement additional schemes concurrently. It also includes the discharge of any additional fees and expenses. It also defines the terms: Commission Recommendation 2003/361/EC, qualifying enterprise, SME and small mid-cap.

Section 3 provides for a review of the operation of the Act after 4 years following the passing of the Act.

Section 4 provides that expenses incurred in the administration of the Act be paid out of monies provided by the Oireachtas.

Section 5 provides for the short title and the commencement provision.

Financial Implications of the Bill

There are no costs arising from the legislation. The cost to the Exchequer of the Future Growth Loan Scheme will be €62 million over a 5-year period.

*An Roinn Gnó, Fiontar agus Nuálaíochta,
Samhain, 2018.*