

Application for amendment of loan terms

1. General loan amendments

- If the project or utilisation of its results is significantly delayed compared to the planned schedule, the loan period may be extended by up to twenty years for compelling reasons. A maximum of ten amortisation-free years can be granted.
- If the financial utilisation of the project or its results fails, the remaining principal and interest may be waived in part or in full in exceptional cases.

The loan period will be extended in the first instance. Such an extension will allow the company to defer repayment of the loan until firm evidence of the success of the project's contents and commercialisation can be gathered.

If the loan or interest fall due for payment while the application for a loan amendment is being handled, the State Treasury will send the customer an invoice for these. However, due payments will not be referred for debt recovery before Innovation Funding Agency Business Finland (hereinafter Funding Agency) makes a decision on the loan amendment. Funding Agency will inform the State Treasury that a loan amendment application has been submitted.

The customer should pay any interest due, in order to avoid penalty interest.

2. Restrictions on loan amendments

Loan amendments are possible in accordance with Government Decree (1444/2014). Repayment may be waived within the framework of the maximum support specified for the project.

The loan period cannot be extended or repayment waived solely because the hoped-for impacts of the project declared by the company and recorded in the funding decision have not materialised.

3. Application for change to loan period

A change to the loan period can be sought on the basis of an informal written application. The application must state the grounds for the extension of the loan period.

4. Preparation of application for waiving of loan repayments

Below is a list of questions on the basis of which the failure of a project will be evaluated in relation to an application for the waiving of repayments. Give your view on the fundamental questions relating to the project. In addition to the application, Funding Agency may request further details on issues that it regards as relevant to considering the loan amendment application.

Funding Agency may seek additional information by e.g. visiting the borrower company or another location in which possible use is being made of the product. Highlight some of the factors you consider relevant to the evaluation of the project's failure.

4.1. Basic information on project

- number of the funding decision
- name of project

4.2. Realisation of project

- In what way has the project failed?
- What reasons led to the project's failure (e.g. a delay, inadequate funding, unexpected technical hitches, lack of skilled personnel, rapid development of a competing technology etc.)?
- Send a statement which gives an annual breakdown of the turnover, listing everything from expenditure to profits, generated by the business or product/products resulting from the project. The calculation should also take account of the costs associated with the development of the business/product.
- How many items or units of the product have been delivered?
- To whom was the product delivered (mention key customers/euro)?
- What quantities of the product/service would you have needed to sell at the price you defined, in order to make the project profitable?

4.3. Marketing of product/business

- Will you continue to market the product/business?
- How has the business/product been marketed (distribution channel, dealers, agents)?
- Have there been any marketing problems? If so, mention what kind.

4.4. Competitive situation

- Is the product/business technically and economically competitive?
- Are there competing products on the market that are significantly more competitive?
- What are these more competitive products and what is the basis of their competitive advantage?

4.5. Business resulting from the project

- Will the borrower or someone else make future use of the results of the project? Is the product in your company's own use?
- Do you in some way intend to continue with the R&D work related to the project?
- Has your company obtained overall expertise, which it can use in its operations, from the project?
- Does the project involve any patents or other intellectual property rights, and who has ownership of them?
- Have the intellectual property rights or product rights related to the project been sold or handed over to a third party?
- Has the sale of IPR or product rights related to the project been settled?
- Where will the product be used (company, contact person, address, telephone number)?
- Who, in addition to the staff of your company, can Tekes talk to about the project?
- Have negotiations been held with other funders on the rearrangement of loans taken out by the company?
- Have any plans been made or negotiations been held on the sale of the company or the business related to the project?

5. Submission of loan amendment application and the required attachments

The application must be submitted using secure email (<https://asiointi.businessfinland.fi/suojaposti>).

In addition to the loan amendment application, send copies of your last two financial statements (income statement, balance sheet, attachments, annual report and signature pages), audit reports and list of shareholders. If you have submitted your financial statements to the National Board of Patents (Section 3, Paragraph 9 of the Accounting Act (1336/1997)) you do not have to submit them to Tekes. You should also provide accounts ledgers for the current fiscal year (the income statement and balance sheet).