

PORTUGAL
FINTECH

P O R T U G A L F I N T E C H P R E S E N T S

Covid-19 Impact & Measures on Fintech

through the eyes of the founders

Considering the current context of Coronavirus pandemic, and its undeniable reflection in the Economy as a whole, Portugal Fintech is committed to continue its work of support to Fintechs.

With this aim, we have gathered feedback directly from the fintech ecosystem, in order to understand the most effective measures in place and receive anticipated feedback on the measures we have drafted to support the sector.

Covid-19 Impact & Measures on Fintech through the eyes of the founders

1.

Understand the impact that the Covid-19 outbreak has had on Fintechs and how are they open to cooperate.

3.

Understand how useful are the measures imposed by the Government as an answer to Covid-19.

2.

Gather early feedback on possible initiatives Portugal Fintech can foster to help Fintechs mitigate that impact.

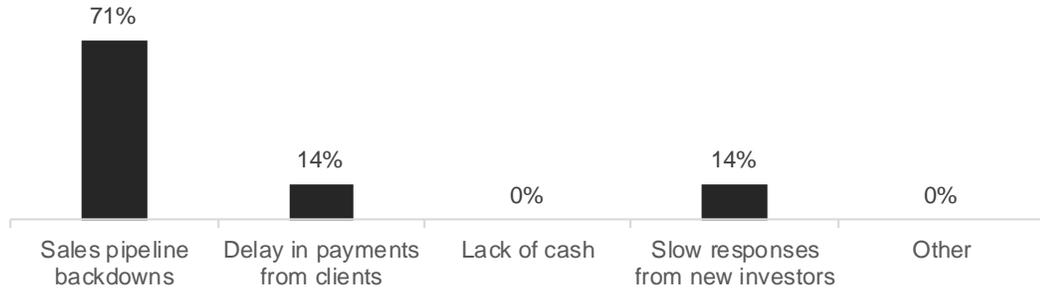
4.

Get the founders' opinion on the usefulness of the measures proposed in the context of Tech4Covid.

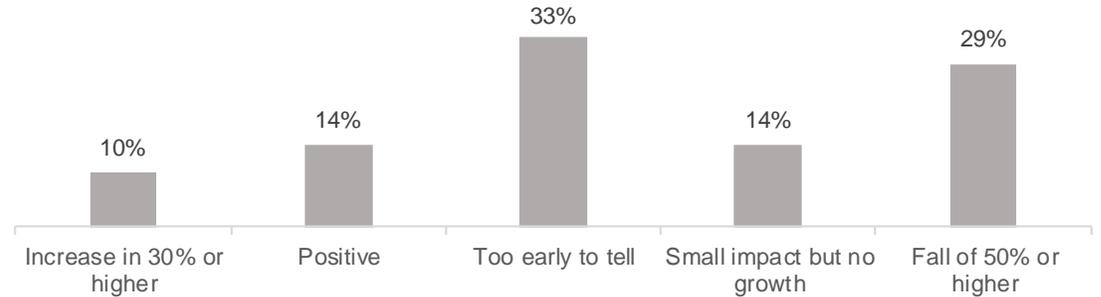


Fintechs have and will continue to be highly impacted by COVID-19

What has affected you the most?



What has been the impact on revenues?



How many employees does your company have?

[0 , 5]	46 %
[06 , 10]	17 %
[11 , 17]	4 %
[18 , 25]	13 %
[26 , 50]	8 %
[50 , ∞]	13 %

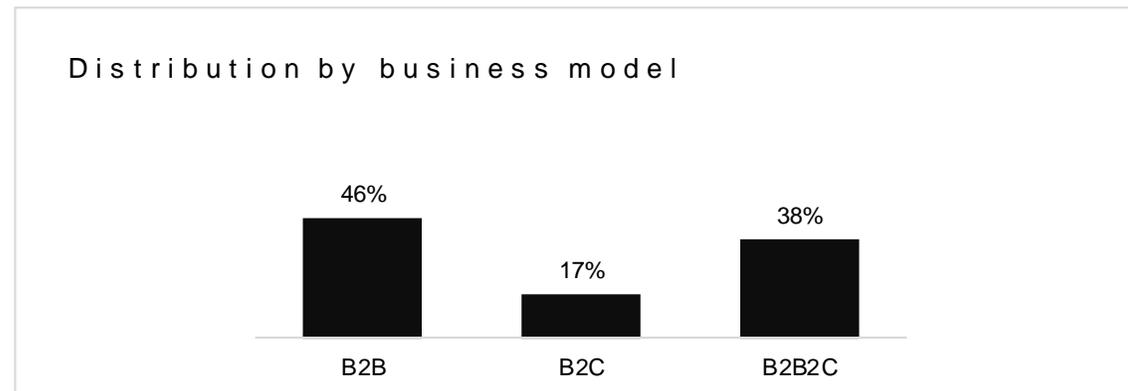
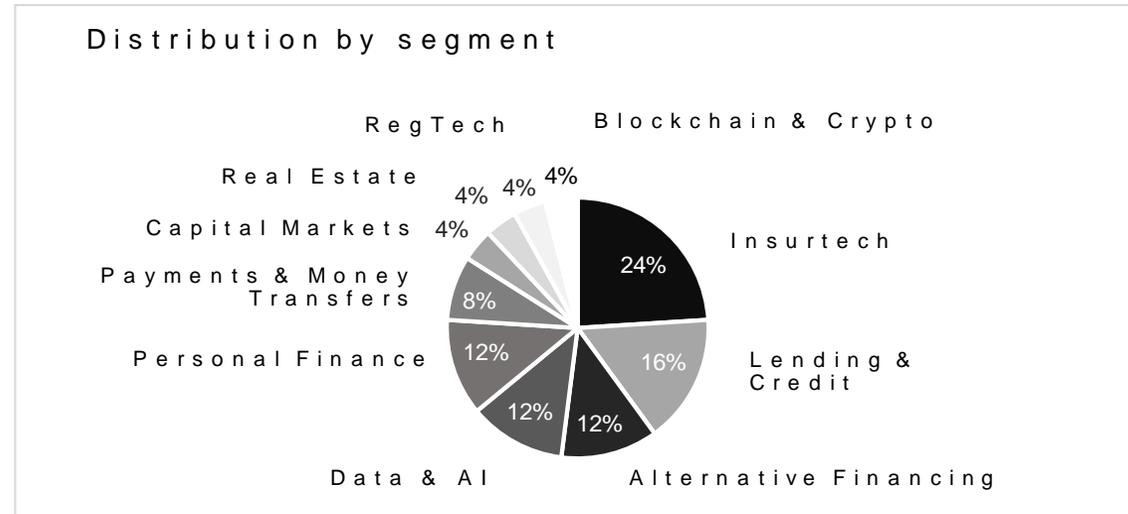
Only 3 companies have resorted to Layoff.

Were you fundraising before the Coronavirus outbreak?

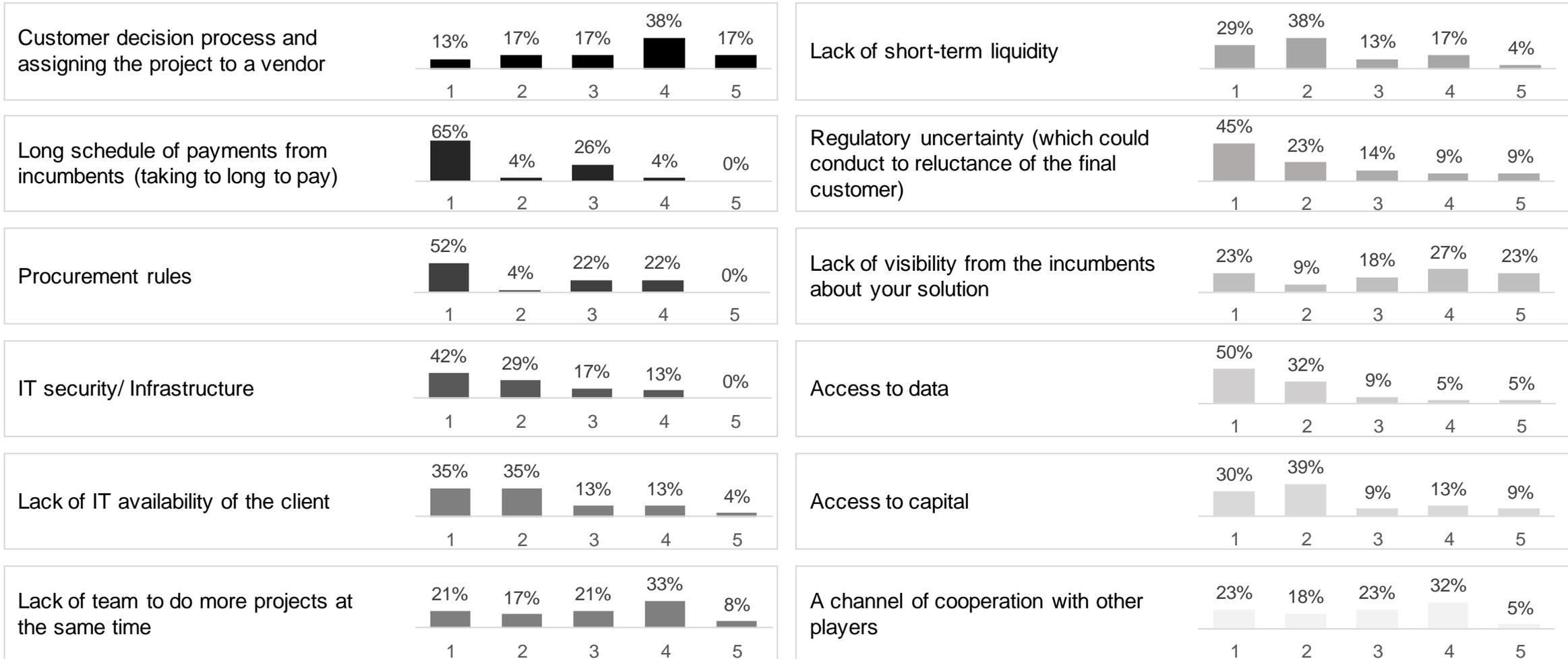
29 %	Yes *
71 %	No

*From the startups which were fundraising only 40% reported to have continued normally, 43% reported to have continued at a slower pace and 29% completely stopped.

However the current context reinforces the potential of collaboration between Fintechs and established players



These are the main hardships stopping Fintechs from solving parts of the current challenges posed by COVID-19



*Where 1 corresponds to less relevant and 5 to most relevant.

Covid-19 Impact & Measures on Fintech through the eyes of the founders

1.

Understand the impact that the Covid-19 outbreak has had on Fintechs and how are they open to cooperate.

3.

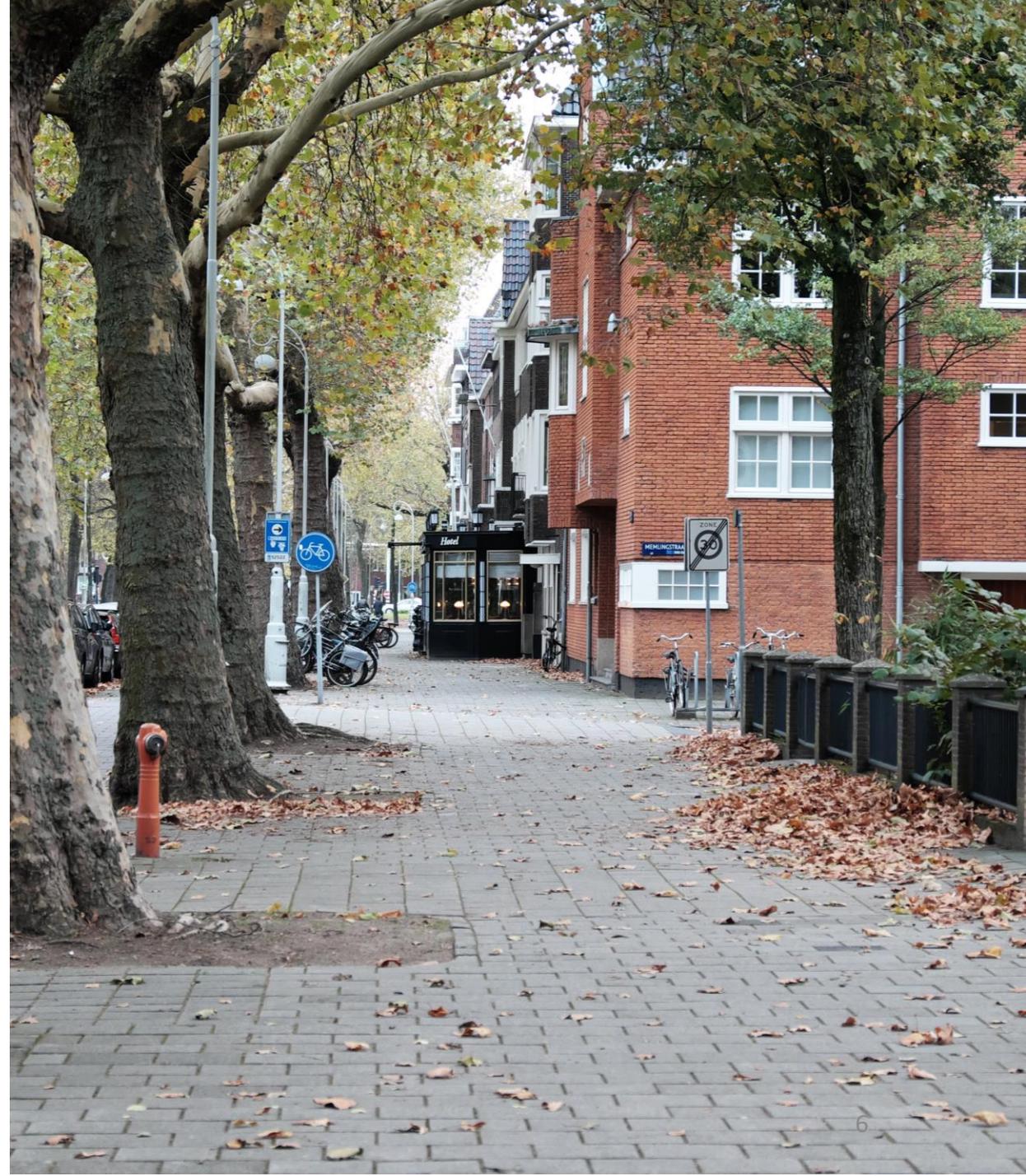
Understand how useful are the measures imposed by the Government as an answer to Covid-19.

2.

Gather early feedback on possible initiatives Portugal Fintech can foster to help Fintechs mitigate that impact.

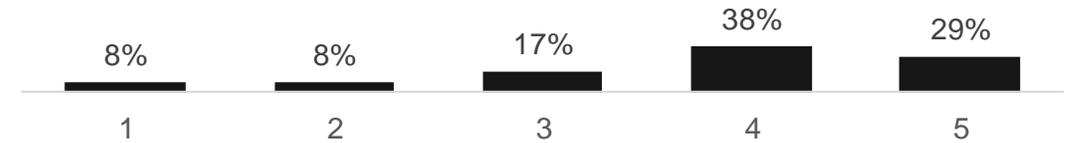
4.

Get the founders' opinion on the usefulness of the measures proposed in the context of Tech4Covid.

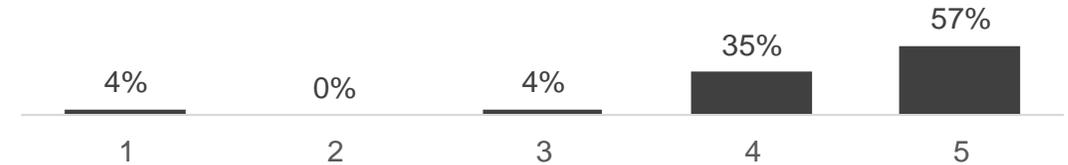


Please rank on a scale of 1 to 5, where 5 is most relevant, how you believe these measures would be relevant

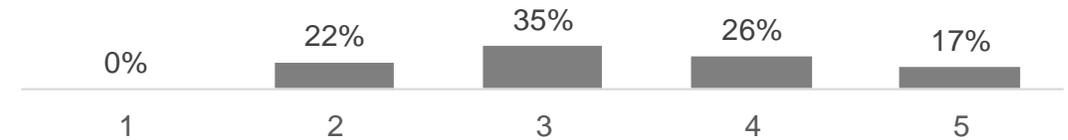
Create a catalogue of services offered by Fintechs to banks/ insurers, sorted by thematic/problem and make it arrive the internal champions in those big organizations.



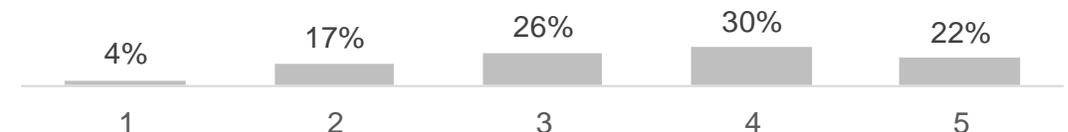
Matchmaking fintech solutions with Banks and Insurers. Create a channel where Fintechs could have a fast-track to suggest Banks and Insurers on how they could sprint to improve digital channels (it could be using you product or one-off services).



Create a chat (eg. Slack) with all relevant stakeholders to share insights, important information and updates regarding covid and economic measures, supply and demand of solutions with incumbents, among others; enabling a single point of contact for mutual help between all.



Have a meeting with several other companies on how to cooperate to create an unified effort around a specific solution for the market (including only startups or also incumbents, regulators, vcs, etc)



Covid-19 Impact & Measures on Fintech through the eyes of the founders

1.

Understand the impact that the Covid-19 outbreak has had on Fintechs and how are they open to cooperate.

3.

Understand how useful are the measures imposed by the Government as an answer to Covid-19.

2.

Gather early feedback on possible initiatives Portugal Fintech can foster to help Fintechs mitigate that impact.

4.

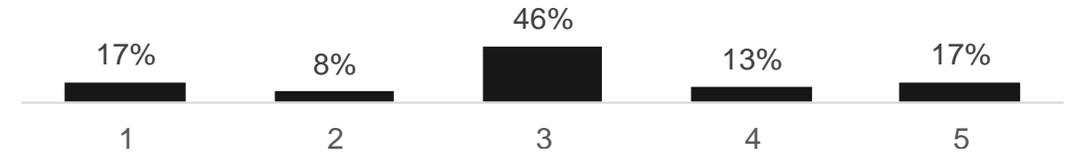
Get the founders' opinion on the usefulness of the measures proposed in the context of Tech4Covid.



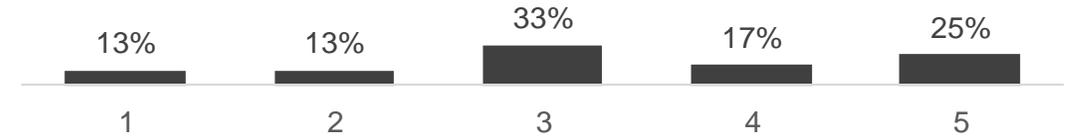
Please rank on a scale of 1 to 5, where 5 is most useful, the usefulness you see in the measures implemented (1/3)

FISCAL

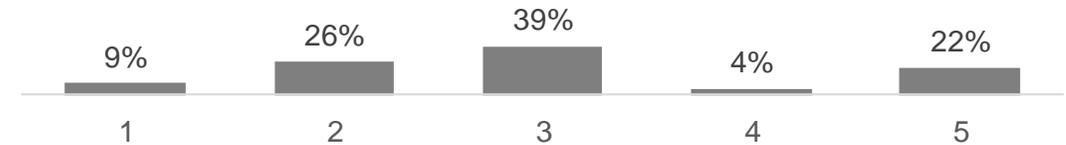
Extension of the deadlines for compliance with corporate tax obligations such as IRC



Deferral of employer payments to social security

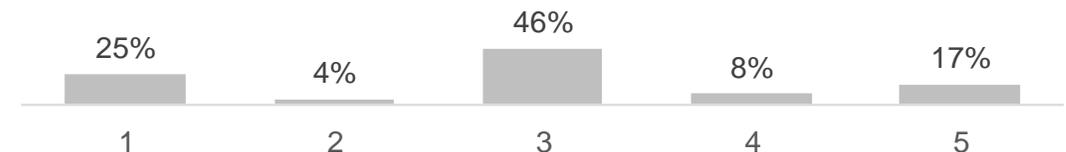


Fractional delivery of IVA and IRS tax withholding



CORPORATE

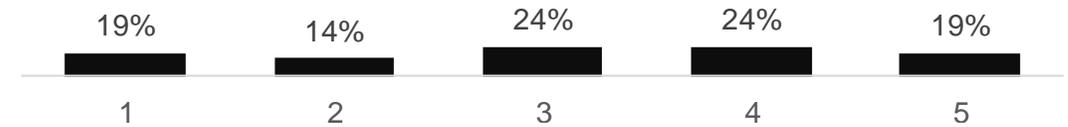
Delay of corporate obligations such as General Meeting deadline



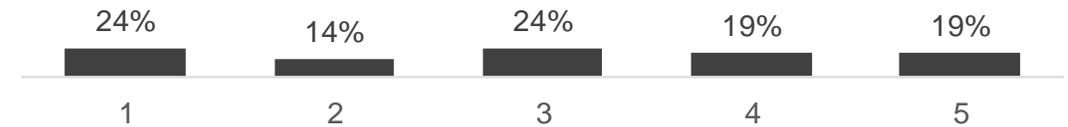
Please rank on a scale of 1 to 5, where 5 is most useful, the usefulness you see in the measures implemented (2/3)

LABOUR

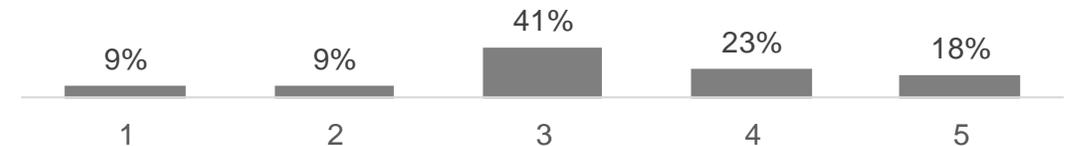
Simplified layoff: in case there has been a complete stop or a fall of at least 40% of revenues in the past 60 days, financial support of 2/3 of gross salary, of which 70% is secured by Social Security.



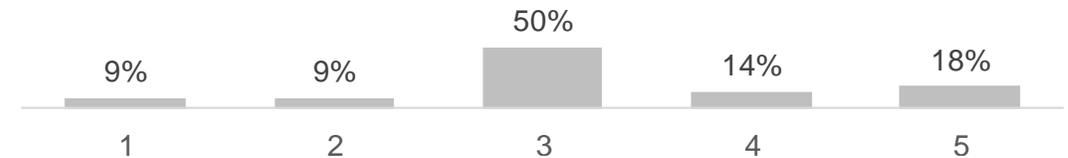
Simplified layoff: in case there has been a complete stop or a fall of at least 40% of revenues in the past 60 days, temporary exemption of social security contributions.



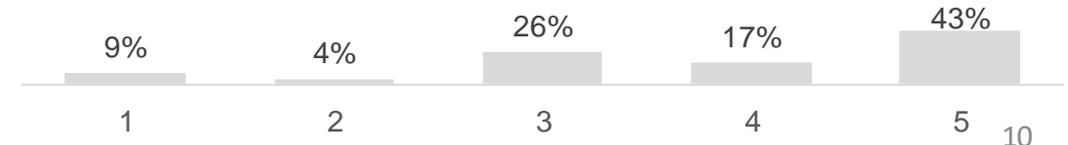
Simplified layoff: for companies which have closed or diminished business activity temporarily, duty to pay at least 75% of the salary.



Cumulative to the simplified layoff: IEFP training plan

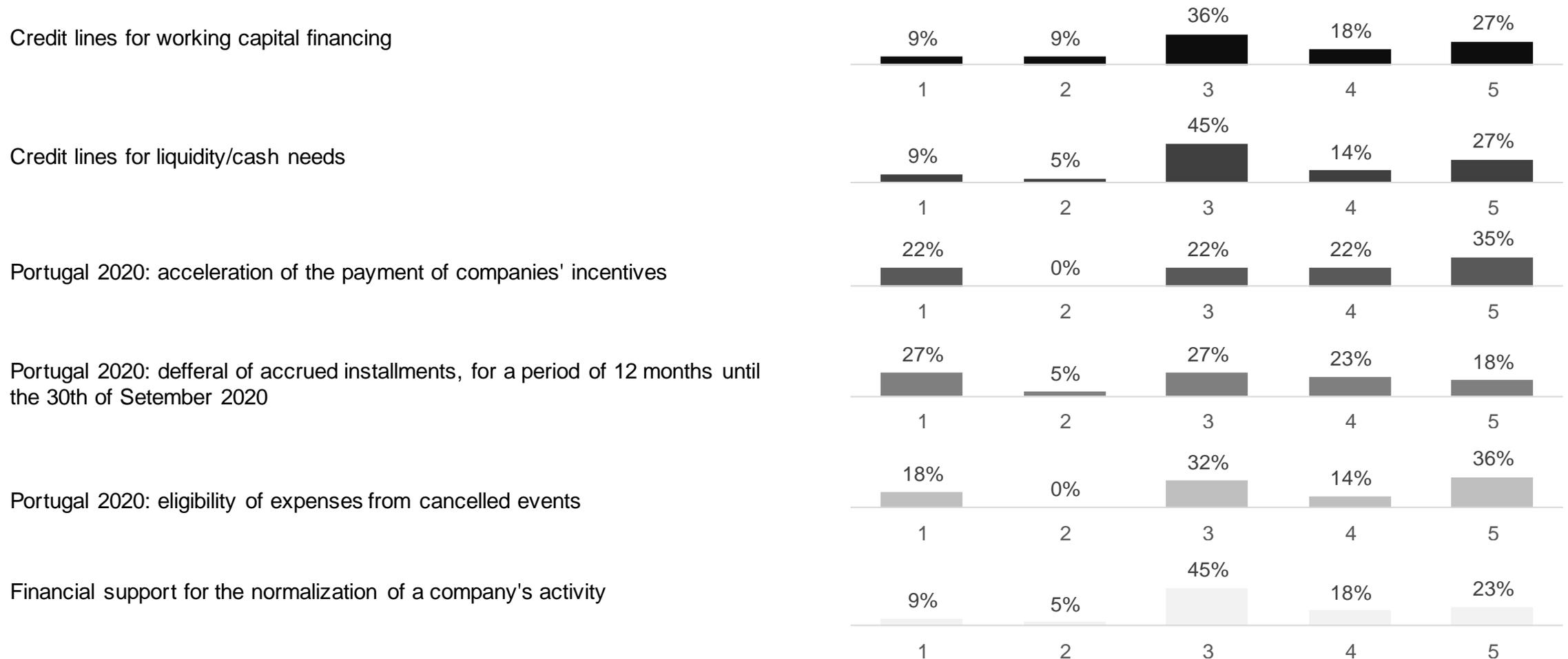


Labor: support in case a worker has to be submitted to 14 days of quarantine and is not able to work from home, ensuring 100% of the employee's salary



Please rank on a scale of 1 to 5, where 5 is most useful, the usefulness you see in the measures implemented (3/3)

CREDIT



Covid-19 Impact & Measures on Fintech through the eyes of the founders

1.

Understand the impact that the Covid-19 outbreak has had on Fintechs and how are they open to cooperate.

3.

Understand how useful are the measures imposed by the Government as an answer to Covid-19.

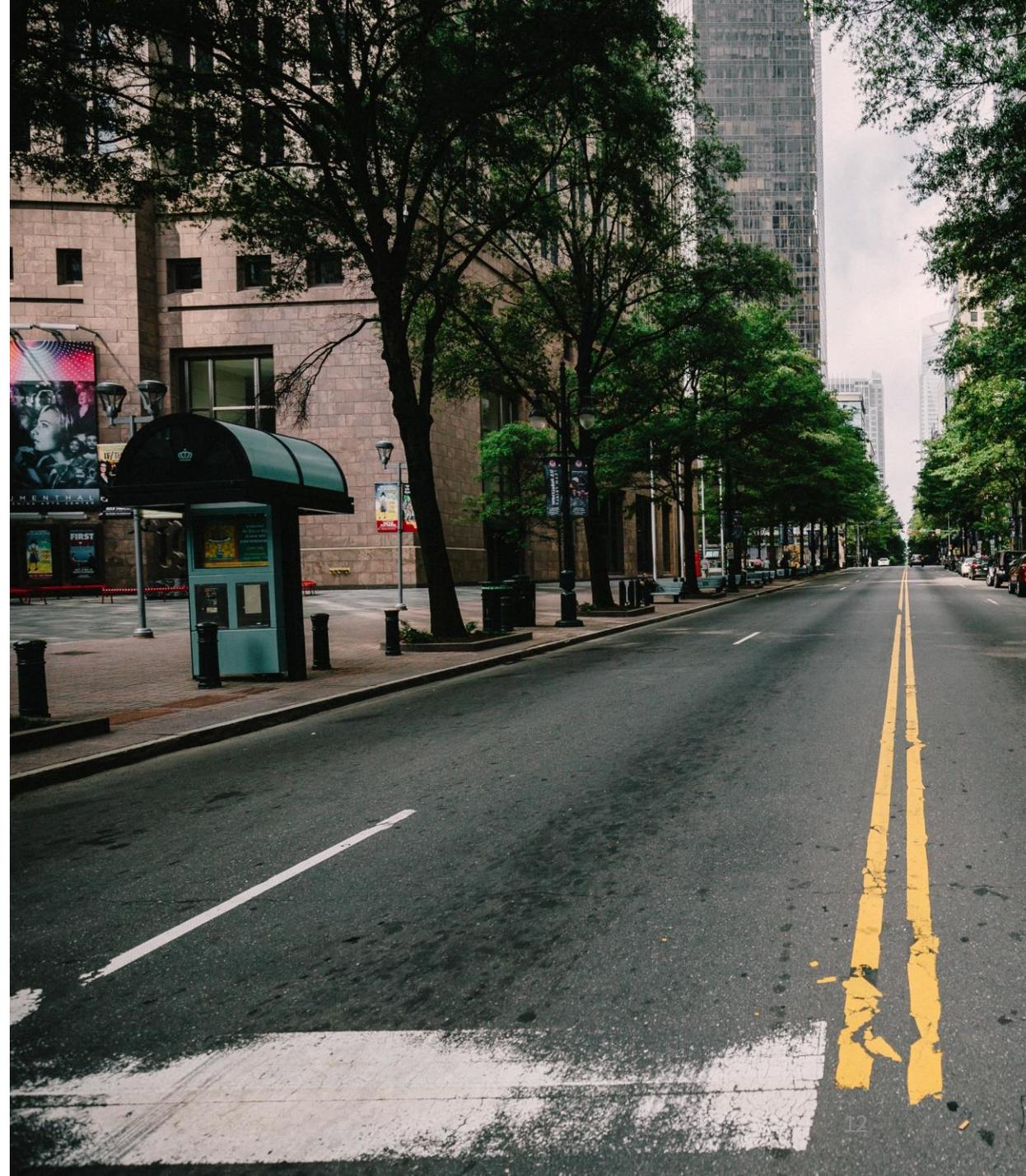
2.

Gather early feedback on possible initiatives Portugal Fintech can foster to help Fintechs mitigate that impact.

4.

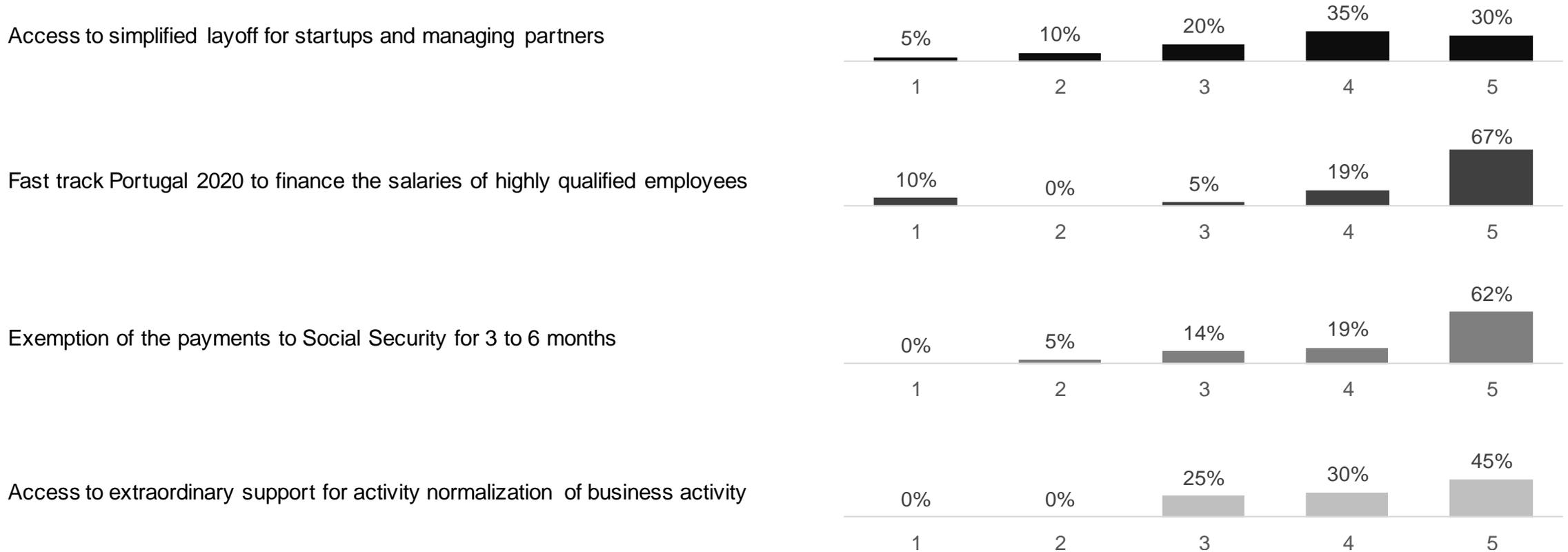
Get the founders' opinion on the usefulness of the measures proposed in the context of Tech4Covid.

Note: These measures can be accessed [here](#).



Please rank on a scale of 1 to 5, where 5 is most useful, the usefulness you see in the measures being proposed (1/2)

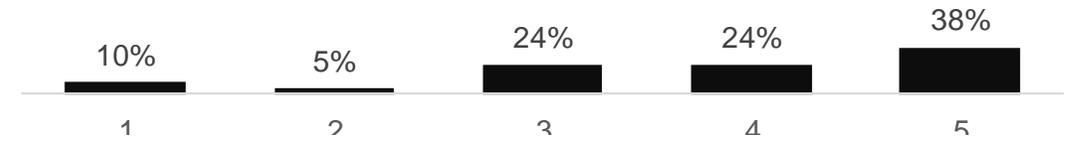
Strengthening of cash position, working capital and talent



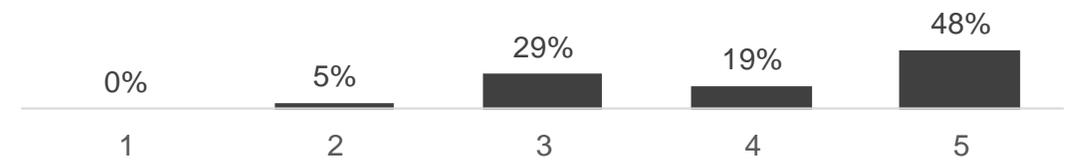
Please rank on a scale of 1 to 5, where 5 is most useful, the usefulness you see in the measures being proposed (2/2)

Financing

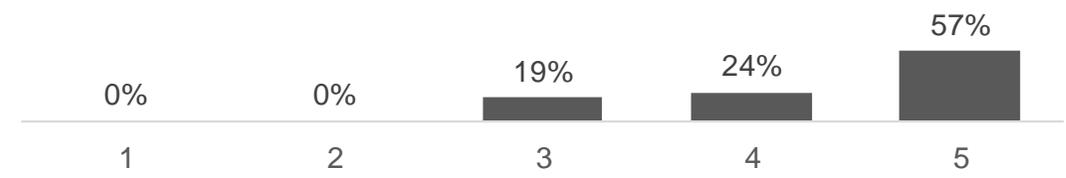
Flexibility of Portugal 2020 rules and advance rate increase



Financing through IFD/PME Investimentos - changes to 200M and FIS, as well as additional IFD funds distribution

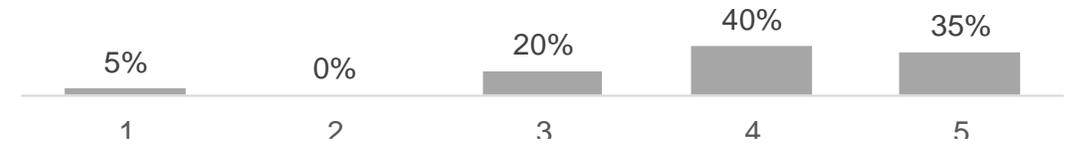


COVID19 Line of financing with warranties from the State

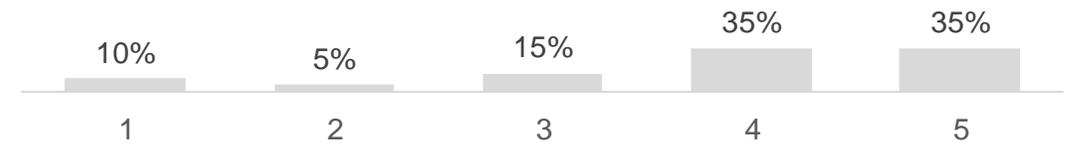


Support to entrepreneurs

"Inversão do ónus da prova" - measure of exception



Adjustment to incubation vouchers



When asked to give
their feedback

What the founders had to say in terms of impact, current measures implemented, additional measures and doubts (1/2)

IMPACT

- ✓ Liquidity is important to survive short-term, but fostering the market is essential in order to collectively address the long-term crisis
- ✓ This can also present opportunities: otherwise legacy industries can use this hit to leverage digital
- ✓ Solutions are being adapted in order to better service the Financial Sectors' needs

CURRENT MEASURES IMPLEMENTED

- ✓ Current measures are not addressing startups – government must take action;
- ✓ Measures have an impact in all projects: some of them may stop if no action is taken;
- ✓ It is hard to navigate through the paperwork – creating a toolkit to help companies navigate would add value, namely regarding public funding solutions available;

What the founders had to say in terms of impact, current measures implemented, additional measures and doubts (2/2)

ADDITIONAL MEASURES

- ✓ Promote cooperation between Fintechs to offer more robust solutions to the market;
- ✓ Connect stakeholders: Fintechs would like to listen to customer pains and business problems, to possibly find use-cases where they can help;
- ✓ Create innovative initiatives such as Reg Fast Track and Fintech Hackathons so that every startup, corporate, incumbents and regulators can join the projects of their interest working on that together in order to achieve specific results;
- ✓ Create incentives for companies to continue to innovate, but with less financial risk on their side through state support for the acquisition of Startups services / products;

DOUBTS & CONCERNS

- ✓ For companies without revenues and without cancelled orders, but with pilot projects on hold and unable to roll out solutions to paying customers, what is the available support?
- ✓ If the company doesn't face immediate reductions of revenue but there are long term effects of a long-term stop, are there any mechanisms can be used to mitigate that?
- ✓ For companies with employees at home with their kids that are working 25% or less of their usual time, are there any solutions to compensate the reduction in effort and avoid losing them completely through a layoff?

COMMITTED TO THE FINTECH
ECOSYSTEM



Contact us to:

INFO@PORTUGALFINTECH.ORG