



Barcelona, 9 December 2020



SUPPORT MEASURES FOR THE LIQUIDITY AND SOLVENCY OF COMPANIES AND THE SELF-EMPLOYED

The Government has approved, among others, the new support measures for companies and self-employed workers set out in Royal Decree Law 34/2020. We summarise below the measures affecting companies and self-employed workers who have received a public guarantee through the Official Credit Institute (ICO).



ROYAL DECREE LAW 34/2020 OF 17 NOVEMBER ON URGENT MEASURES TO SUPPORT BUSINESS SOLVENCY AND THE ENERGY SECTOR, AND ON TAX MATTERS

Extension of maturity dates and grace periods for financing operations for the self-employed and companies that have received a public guarantee through the Official Credit Institute.

1. The maturity dates for the guarantees issued under Royal Decree Law 8/2020 of 17 March will be extended for a **maximum additional period of three years**, provided that the requirements detailed below are met and the total maturity of the guaranteed operation does **not exceed eight years from the formalisation date** of the operation.
2. Provided that the debtor complies with the requirements detailed below, the credit institutions or financial credit institutions that operate the guarantee facilities approved by Royal Decree-Laws 8/2020 of 17 March and 25/2020 of 3 July will **increase the grace period for repayment by a maximum of 12 additional months**, if the total grace period, taking into account the initial grace period, does not exceed 24 months.
3. Credit institutions or financial credit institutions operating the guarantee facilities approved by Royal Decree-Laws 8/2020 of 17 March and 25/2020 of 3 July **will maintain the limits on the working capital facilities granted to all debtors until 30 June 2021** that meet the requirements set out in this Article and have a loan guaranteed under Royal Decree-Law 8/2020 of 17 March or Royal Decree-Law 25/2020 of 3 July.

Requirements to be met by debtors to qualify for the above measures

- a. Debtors must **apply for** the measures described in paragraph 1 or 2.
- b. The guaranteed financing operation may not **have gone unpaid for more than 90 days**.
- c. The debtor **must not be registered as insolvent** in the files of the Bank of Spain Risk Information Centre (CIRBE) on the date that the extension is formalised.
- d. The financial institution must not have notified the institution granting the guarantee of any **default in the guaranteed operation** with the debtor on the date the extension is formalised.
- e. The debtor must not **be involved in bankruptcy proceedings**.
- f. For the application of measures 1 and 2, the guaranteed financing must have been formalised before the date of publication of this Royal Decree-Law in the Official State Gazette.



- g. The debtor's application to the institution for measures 1 and 2 must be made no later than **15 May 2021**.
- h. To apply for an extension of the guarantee, the debtor must comply with the limits¹ established in the European Union State Aid regulations.

If the **applicant debtor complies with the above requirements**, the financial institutions will apply the measures in question. In addition, **financial institutions must comply with the following obligations, among others:**

- o The **costs of the loans** qualifying for the extensions provided for in this Royal Decree-Law will remain in line with the costs charged before the extension, and may be increased only to reflect an increase in the guarantee remuneration.
- o Institutions will have a **maximum of 30 calendar days** to deal with debtors' applications.

The professionals that regularly work with your company are at your disposal for any clarification or additional information you may require in relation to the content of this Circular Letter. Please contact us by telephone at 934 677 414.

Yours sincerely,
AUDICONSULTORES

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¹ Limit set in the **"Minimum Aid"** which provides for a maximum of € 200,000 for three fiscal years for EU Member States.