

Line of ICO guarantees for companies and self-employed workers to alleviate the economic effects of COVID-19

Government Agreement approving a line of ICO guarantees for companies and self-employed workers to alleviate the economic effects of COVID-19

The Government Agreement approving a line of ICO guarantees for companies and self-employed workers to alleviate the economic effects of COVID-19 was published yesterday in the Spanish Official State Gazette (BOE). The Government has activated the first guarantee tranche of 20 billion euros from a line for a total amount of 100 billion euros for companies and self-employed workers, which will be managed by the ICO, both for extensions and new loans, and other forms of financing formalized from March 18, 2020 until September 30, 2020.

Half of this first tranche is reserved for SMEs and the self-employed, and the other half for companies that do not qualify as SMEs.

The aim of this public guarantee is to provide incentives for financial institutions to grant loans in order to face the economic consequences of COVID-19, with the aim of preserving jobs and making it easier for the business community to pay salaries, bills, working capital requirements or other liquidity needs, including those arising from the expiry of financial or tax obligations.

Exclusions:

- Defaulters in CIRBE on 31.12.19
- Insolvency status as of 17.03.20, whether or not declared by the courts

Maximum amount:

- 50 million euros, with different requirements from 1.5 million

Cost of financing:

- In line with the costs applied before the COVID-19 crisis

Maximum % of guarantee:

- 80% for SMEs and self-employed
- Non-SMEs: 70% for new operations and 60% for extensions

Cost of the guarantee:

- For loans up to 1.5 million euros, 20 basic points
- Progressive scaling for other loans, up to 120 basis points

Maximum term of the guarantee:

- 5 years, or the term of the financing if shorter

Where to apply?:

- At the credit institutions that collaborate in this guarantee line, which will be published on the ICO website shortly.

Regulations:

- (BOE-A-2020-4070)

The Government expects its guarantees will facilitate the granting of credit by the risk committees of financial institutions, "with liquidity reaching the heart of the productive fabric", and has stated that, as this first tranche is used up, the remaining amounts will come into play automatically until the 100 billion euros committed are reached, without prejudice to complementary actions depending on the demand or market situation.

Line of ICO guarantees for companies and self-employed workers to alleviate the economic effects of COVID-19

Marimón Abogados is a law firm founded in 1931 that offers legal services in all areas of law and has offices in Barcelona, Madrid and Seville.

For further information, please get in touch with our lawyers, all the members of our law firm are available to assist you.

Barcelona -

Aribau, 185
08021
Tel.: +34 934 157 575

Madrid -

Paseo de Recoletos, 16
28001
Tel.: +34 913 100 456

Sevilla -

Balbino Marrón, 3
Planta 5ª-17
(Edificio Viapol)
41018
Tel.: +34 954 657 896

www.marimon-abogados.com

This document contains legal information produced by Marimón Abogados. The information included herein does not constitute legal advice. The intellectual property rights concerning this document are held by Marimón Abogados. This document may not be reproduced, distributed or used in any way, whether in its entirety or in part, without prior written authorization from Marimón Abogados.