

MARCH 2020**COVID 19
BUSINESS SUPPORT MEASURES**

As part of the measures arising from the public health emergency to support companies, the government has launched the following support measures:

A) CAPITALIZAR 2018 - COVID-19 CREDIT LINE

The 'Capitalizar - Covid-19' Credit Line is a line of credit - with an endowment of 200 million euros - that aims to support companies whose activity is affected by the economic effects of the Covid-19 outbreak, supporting them in their "Operating Fund" and with their "Cash-flow Limit".

Who can apply?

All Micro, Small and Medium Enterprises, certified by a valid IAPMEI Electronic Declaration, or Large Enterprises¹ (without IAPMEI certification) with head office in national territory can apply, insofar as they fulfil the following requirements:

- Positive net worth in the last financial year²;
- Verify a 20% decrease in sales in the 60 days prior to the submission of the application, compared to the same period of the previous year;
- Have no outstanding debts to FINOVA as well as have no outstanding payments with the Banking System, the Tax Authority and Social Security when contracting the financing.

Conditions

- The maximum amount of support per company is €1,500,000.00 (one million five hundred thousand euros) and is only intended to finance operating fund or cash-flow operations;
- Fixed or variable interest rate to be agreed between the Bank and the beneficiary with spreads from 1.943% to 3.278%

¹ Large Enterprises - the company must at least be in a situation comparable to situation B-, in terms of credit assessment.

² Companies with negative net worth on the last approved balance sheet may access the Line if they have regularized this situation in an interim balance sheet, approved up to the date of the operation;

- Premium Commission with a ceiling of 0.5%;
- Autonomous guarantee at the first request provided by the SGM, aimed at securing up to 80% of the outstanding debt at any given time;
- Possibility of accumulating existing lines of credit with the COVID-19 Line.

To benefit from this credit line the company must contact one of the following banks ((i) Abanca; (ii) BBVA; (iii) BPI; (iv) BCP; (v) BPG; (vi) Santander Totta; (vii) CCCAM; (viii) Montepio Geral; (ix) CGD; (x) Novo Banco; (xi) EuroBic; (xii) Bankinter; (xiii) CCAM Leiria; (xiv) CCAM Chamusca; (xv) CCAM Mafra; (xvi) Novo Banco dos Açores) with a view to submitting its application.

B) CREDIT INSURANCE SUPPORT

The support for export credit insurance with State guarantees has been reinforced as per the following amounts:

- 100 million to 200 million euros: for the ceiling of the credit insurance line with State guarantees for the metallurgical, metal-mechanical and mould sectors;
- 100 million to 200 million euros: for the deposit insurance line for works abroad, other supplies, with State guarantees;
- 250 million to 300 million euros: for the ceiling of the short-term export credit insurance line.

The Ministry of Finance may update the above figures, as well as implement additional measures resulting from a possible economic crisis, of which we will report as soon as they are published.

PARES | Advogados is available to provide more detailed information on the referred credit line that will suit the specific needs of each client, being able to offer all necessary support on issues of corporate financing.

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