

MICRO, SMALL AND MEDIUM SIZED ENTERPRISES (MSME) SUPPORT FOR CREATING AND MAINTAINING THE VIABLE JOBS

In order to overcome the crisis caused by the COVID-19 pandemic OTP Bank SA provides for its clients a credit line financed from the Council of Europe Development Bank, that will support the Moldovan MSMEs with necessary liquidity to carry out the business activity and to create and maintain sustainable jobs.

GENERAL CRITERIA REQUIRED TO BE MET BY ELIGIBLE BENEFICIARIES:	
Beneficiaries:	<ul style="list-style-type: none"> ▪ Independent Micro, Small and Medium sized Enterprises in which the share of a non-MSME co-owner doesn't exceed 25% from the total share of the capital of the company. ▪ The average annual staff number – maximum 249 employees; ▪ Consolidated Annual Turnover – maximum EUR 50 mil.; ▪ Total Assets – maximum EUR 43 Mil.
Eligible activity domains:	<ul style="list-style-type: none"> - Purchasing of the raw materials, equipment and industrial machinery; - Construction, renovation, modernization or purchasing of the building directly related to the project; - Purchasing of the land directly related to the project, at the purchasing price if this one will not be donated; - Expenses related to the land preparation; - Expenses on technical, economic, commercial and engineering research or study, the costs of technical supervisory of the project. These costs shall not exceed the 5% from the total costs of the project (as will be justified); - Installation of the basic infrastructure such as sewerage and water, electricity and communications networks, waste and water treatment, roads, etc; - Expenses related to the staff training; - Unexpected expenses that cannot be postponed (technical and/or price increase) <ul style="list-style-type: none"> ✓ (a) Financial coverage of possible changes in the amount of work required, or the price per unit, the type and quantity of equipment to be procured, or the method of project implementation. ✓ (b) Expenses related to the professional/vocational training and public information may be eligible for funding by CEB, taking into account the objectives of the project; ✓ (c) Non-deductible and non-refundable VAT taxes.
Amount of funding:	<ul style="list-style-type: none"> ▪ Investment loan: up to EUR 600,000.00 ▪ Working capital: up to EUR 300,000.00 (The first 18 months the financing is in proportion of 100%, after this the financing will be in proportion of the 50%). <p>The maximum exposure per client shall not exceed EUR 2 Mil.</p>
Currency:	<ul style="list-style-type: none"> ▪ MDL, EUR.
Loan tenor:	<ul style="list-style-type: none"> ▪ Investment loan: from 12 months to 72 months ▪ Working Capital: from 12 months to 48 months
Grace period:	<ul style="list-style-type: none"> ▪ Investment loan: up to 24 months ▪ Working Capital: minimum 12 months
Financing structure:	<ul style="list-style-type: none"> ▪ 90% from the total amount of the sub-loans will be financed from the CEB resources with an Interest Rate applied according to the bank's tariffs; ▪ 10% from the total amount of the sub-debt will be financed from the FIDA 3 reflow, FIDA 4 reflow or FIDA 5 reflow of the Management Office of External Assistance Programs (OGPAE), with 0% Interest Rate (the Principal amount being payable).
Interest Rate:	<ul style="list-style-type: none"> ▪ Flexible; ▪ Interest review period – semi-annual; ▪ Calculation basis – 360 days of a calendar year.
Retro-financing:	<ul style="list-style-type: none"> ▪ Eligible costs since 01 January 2020

Non-eligible activities:	<ul style="list-style-type: none">- Investment in renewable energy, health (clinics, hospitals), education (school, universities), which will be financed from other special funds;- The financial expenses of the investments cannot be included in the estimated cost of the Sub-projects (refinancing of debts including loans from other banks, payment of interest, acquisition of shares in the capital or property of enterprise, taxes);- Staff expenses (the salaries, additional remuneration and benefits, payment of dividends, pensions);- Acquisition of consumer goods and services;- Purchase and/or renovation of the real estate for resale, or to lease it to the third parties except those belonging to the same group of companies;- Sub-loans in cash;- Sub-projects, the financing of which contributes to the deterioration of the impact on the environment;- Other expenses and/or activities that may be considered ineligible for financing according to CEB policies or EU legislation to the extent of their implementation in the Republic of Moldova.
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For further details, please contact your personal Adviser within OTP Bank SA