

DTB

SECOND PACKAGE OF MEASURES TO ASSIST ECONOMY DURING COVID-19

**CROATIAN AGENCY FOR SMES,
INNOVATIONS AND INVESTMENTS –
HAMAG BICRO**

On 2 April 2020, the Government of the Republic of Croatia presented second package of economic measures aimed at limiting the negative impact of Covid-19 on the economy.

The measures are implemented by the Croatian Employment Service, Ministry of Finance – Tax Administration, Croatian Bank for Reconstruction and Development and Croatian Agency for SMEs, Innovations and Investments – HAMAG BICRO.

Further below we present a summary of the adopted measures implemented by the Croatian Agency for SMEs, Innovations and Investments (**HAMAG BICRO**).

1. Moratorium on all instalments of ESIF Micro and Small Loans and Micro and Small Rural Development Loans until 31 December 2020 and extended repayment period for the guaranteed loans

- Suspension of payment applies to all undue debts (principal and interest), while all due debts must be duly settled;
- Neither interest nor principal will become due and default interest will not be charged until 31 December 2020;
- Regular interest will be charged on the undue principal and will be distributed to the rest of the repayment period when the repayment begins;
- These measures affect the protection of the liquidity of micro, small and medium-sized enterprises, ensuring their stability and business continuity.

2. Increase in the allocation for the financial instrument ESIF Micro Working Capital Loans for Micro and Small Businesses

- Grant of EUR 1,000.00 to EUR 25,000.00 with a repayment period of up to 3 years, including grace period;
- Grace period of up to 12 months, if the repayment period is at least 2 years;
- Interest rate is 0.5% – 0.75% – 1.0%, depending on the development index;
- Option to settle invoices incurred up to 3 months before the loan application is received.

3. Reduction of interest rates on ESIF Micro and Small Loans (up to EUR 50,000.00, i.e. up to EUR 25,000.00), with a 30% share of working capital to 0.1% – 0.25% – 0.5%

4. Increasing the maximum guarantee rate for ESIF individual guarantees for working capital loans from 65% to 80% of the loan principal (guaranteed loans guarantee amount of EUR 150,000-1,000,000) through 17 financial institutions

5. Establishment of a new financial instrument “COVID-19 LOAN”

- Intended to provide additional liquidity to micro, small and medium-sized enterprises affected by COVID-19;
- Working capital for a wide range of activities;
- Fully funded by the European Regional Development Fund;
- Maximum loan amount of HRK 750,000.00 with repayment period of up to 5 years, including grace period;
- Grace period is up to 12 months, if the repayment period is at least 2 years;
- Use of loan up to 6 months;
- Interest rate is 0.25%.

6. Establishment of a new financial instrument “MICRO LOAN FOR RURAL DEVELOPMENT”

- Intended to provide additional liquidity to small businesses in the agricultural, processing and forestry sectors;
- Loan amount from EUR 1,000.00 to EUR 25,000.00 with repayment period of up to 5 years, including grace period;
- Grace period up to 12 months, if the repayment period is at least 2 years;
- Interest rate 0.1% and 0.25%, depending on the development status of local self-government units.