



PROMOTING MEASURES TO THE INDUSTRIAL SECTOR IN REAL DECRETO-LEY 11/2020 OF 31st MARCH ON URGENT ADDITIONAL MEASURES IN THE SOCIAL AND ECONOMIC FIELD TO DEAL WITH COVID-19.

2nd April 2020

1.- Introduction.

The *Real Decreto Ley 11/2020*, of 31st March, on urgent additional measures in the social and economic field to deal with COVID-19 (“**RDL 11/20**”) seeks to reinforce and develop the measures already introduced by the *Real Decreto Ley 10/2020* of 29th March, which regulates the recoverable paid absence of employees who do not provide essential services, in order to reduce the population’s movements in the framework of the fight against COVID-19 (“**RDL 10/20**”).

In this regard, and among the most affected sectors by COVID-19, it addresses the adoption of measures to support the economic activity in its second chapter, the first section of which deals with measures to support industrialization and the second, with regard to the flexibility of supplies to companies in order to allow them to maintain their activity in the current scenario.

2.- Promoting measures to industrialization.

This section contains a series of mostly financial measures intended to provide greater cash flow to enterprises.

For this reason, it is established that for a two and half year period from the entry into force of the *Real Decreto 463/2020* of 14th March, which can be extended by agreement of the Council of Ministries, the loans

granted by the General Secretary of Industry and PYME can be refinanced. In other words, beneficiaries may request amendments to the repayment schedule (extension of the repayment period, extension of the deferral period, or other amendments provided that they respect the same maximum aid intensity and risk levels as at the time of granting), provided that the crisis caused by COVID-19 has led to non-activity periods, reductions in sales or breakdowns in supply in the value chain.

Such amendments can not be authorized in the following events:

- a) If there is no proven reason for such amendment.
- b) If the company is not up to date with its tax and social security obligations.
- c) If the company has debts to the Administration for the repayment of loans.
- d) If the company is not up to date with the presentation of the annual accounts in the Commercial Registry.
- e) If the debt is expired due to breach or waiver.
- f) If, in the case of projects within the justification of investments, there is not a reasonable level of progress that guarantees the fulfillment of the committed objectives in the concession.

It has been approved to increase the allocation of CERSA’s *Fondo de Provisiones Técnicas* by € 60 million, in order to provide extraordinary credit risk coverage in financial transactions for PYMEs, affected by COVID-19.

In addition, and given that many companies have suffered cancellations of events to support their internationalization with the support of the ICEX having already assumed expenses, such companies will be refunded if such cancellations are due to COVID-19. As well, in the event of international events' cancellation, ICEX will grant companies additional financial aid depending on the non-recoverable incurred expenses.

Finally, in order to promote cash flow and, therefore, survival of tourism companies, the payment of interest and repayment corresponding to loans granted by the Secretary of State for Tourism, within the framework of the *Programa Emprendetur I+D+I*, the *Programa Emprendetur Jóvenes Emprendedores* and the *Programa Emprendetur Internacionalización* are suspended for one year, without any penalty. Consequently, the interest and repayment payments that should have made by the borrowers as from the entry into force of the RDL 11/20, will be due on the same date of the following year the one in which the loan was granted, without this entailing additional interest.

3.- Flexibility in supplies.

The self-employed and companies are allowed to temporarily interrupt their supply contracts or amend their contract conditions without penalties; and are also allowed to free of charge change the access toll and to adjust the hired power either higher or lower. Once the state of alarm has ended and within three months from that end, they are allowed to exercise a new amendment without charge or penalty.

In the gas sector, in order to reduce the fixed costs of supply station owners whose activity and, therefore, their need for natural gas consumption has fallen, they are allowed, while the state of alarm is in force, to adjust the hired power of the supply stations to their real needs, change the access toll or even temporarily suspend the supply contract free of charge. Once the state of alarm has ended, and also within three months from such date, it will be possible, free of charge, to make a new change.

A mechanism is established for the suspension of payment of the electricity, gas and certain oil products

bills by the contract holder, to the electricity and gas trader or, when applicable, to the distributor in manufactured gases and Liquid Oil Gas (GLP) regarding bills that fall within the state of alarm.

In addition, so that traders do not assume undue cash charges, they are relieved of the payment of tolls and settlement of indirect taxes on such consumption, during the period of payment-suspension.

Once the state of alarm ends, the amounts due will be equally paid in the bills issued, corresponding to the billing periods in which the following six months are included. The companies that make use of such bill suspension, will not be able to change the electricity or gas trader company, unless the whole payment has been made.

Additionally, in order to reduce the financial impact that this measures entail to electricity and gas trading companies, as well as to distributors of manufactured gas and channeled GLP, all these companies are authorized to access the credit guarantees, established in Article 29 of the *Real Decreto-Ley 8/2020*, of 17th March, or any other credit guarantees established for this specific purpose. The guaranteed amount will match the amount by which each agent's income has decreased as a result of this measure.

Finally, in the audiovisual sector, and on an exceptional and transitory basis, temporary compensation is included for certain costs of compulsory population coverage of the state digital television service, in order to allow the companies supplying this service to enjoy greater cash flow liquidity for the proper rendering of this essential service.



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