



NEW MEASURES REGARDING THE CREDIT LINE TO ENSURE CASH FLOW OF COMPANIES AND SELF-EMPLOYED WORKERS

22nd April 2020

The *Real Decreto-ley 8/2020*, of 17th March, or urgent extraordinary measures to face the economic and social impact of COVID-19, passed a credit line granted by the Ministry of Economic Affairs and Digital Transformation, for the purpose of covering the financing provided by credit entities, financial credit organizations, electronic money entities and payment institutions for companies and self-employed workers.

The main purpose of this credit line is to maintain normal cash flows and levels of liquidity, particularly for small and medium-sized companies and self-employed. In particular, the credit line shall enable companies and self-employed workers to continue paying their employees' salaries, to pay their bills in advance, through mechanisms such as factoring, or to pay their suppliers in advance, through confirming, for example. The objective is to establish, in this way, means for the maintenance of the levels of economic activity and employment.

In order to strengthen cash flow support measures and broaden its scope, the *Real Decreto-ley 15/2020*, of 21st April, on urgent complementary measures to support the economy and employment, includes three complementary measures in a final provision:

1º.- It provides for a reinforcement of the credit granted by the *Compañía Española de Reafianzamiento, Sociedad Anónima (CERSA)*, in order to increase the credit capacity of the *Sociedades de Garantía Recíproca*, found in all the Autonomous Communities of Spain, and with great capacity

to reinforce access to financing for the small and medium-sized companies in the different geographical areas in which they are found.

2º.- It establishes that the promissory notes incorporated to the *Mercado de Renta Fija de la Asociación de Intermediarios de Activos Financieros (AIAF)* and the *Mercado Alternativo de Renta Fija (MARF)* may benefit from the credits, promoting the maintenance of the sources of cash flow, provided by the capital markets and not only through traditional banking means. In both cases, the terms of the credits will be established by agreement of the Board of Ministries.

3º.- It guarantees that the credit line, which shall amount up to 100,000 million euros, shall be released until 31st December 2020.



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