

Disclaimer: This factsheet has not been subject to the full Eurofound evaluation, editorial and publication process.

Factsheet for case **LT-2020-12/340**

Compensation for interest on loan or lease payment

Factsheet generated on 05 May 2020, 18:54

Country	Lithuania, applies nationwide
Time period	Temporary, 16 March 2020 - 31 December 2020
Type	Legislation or other statutory regulation
Category	Supporting businesses to stay afloat – Direct subsidies (full or partial)
Case created	07 April 2020 (updated 29 April 2020)

Background information

Taking into account the companies' lack of working capital during the quarantine period, the Government allocated EUR 23 million EU funds to fully reimburse interest payable by small- and medium-sized enterprises in cases where the repayment of loans or financial leasing has been postponed for at least 3 months after 16 March 2020 due to the quarantine regime so that the businesses can use their savings for other important purposes. The measure is implemented in accordance with Description 1 of the conditions for financing projects under measure J03-IVG-T under priority axis 3 "Promoting the competitiveness of small- and medium-sized enterprises" and priority axis 4 "Promoting energy efficiency and the production and use of renewable energy" under the Operational Programme for EU Structural Funds Investments for 2014-2020, as supplemented on 3 April 2020 by Order No. 4-201 of the Minister for the Economy and Innovation.

Content of measure

Representatives of small- and medium-sized enterprises experiencing difficulties in relation to COVID-19 may apply to the National Development Agency "Investicijų ir verslo garantijos" (Investment and Business Guarantees, INVEGA) for the reimbursement of interest on deferred loans or financial leasing payments. If the financial institution defers the payment of loans or financial leasing, the borrowers will be reimbursed 100% of interest payable during the period of deferral. In addition, interest compensations will be paid on a monthly basis instead of a quarterly basis. Interest will be reimbursed in respect of investment and working capital loans, as well as financial leasing agreements, provided that the company meets certain criteria (e.g.,

interest compensation during the deferral period is not available for companies engaged in road freight transport wishing to purchase vehicles for freight transportation; for farmers; in respect of overdrafts, credit lines, factoring, operating lease contracts, etc.). The interest rate from which the maximum amount of partial reimbursement of interest is calculated shall not exceed 7%. The reimbursement of interest shall be applied within the de minimis aid ceiling (EUR 200,000) for a period exceeding six months – until 31 December 2020.

Use of measure

No information to date.

Actors, target groups and funding

Actors	Target groups	Funding
National government Employers' organisations Company / Companies Public support service providers	SMEs	European Funds

Social partners

Role of social partners	Consulted
Form of involvement	Direct consultation

Social partners consulted only ad hoc, the tripartite meeting was not held.

Sectors and occupations

This case is not sector-specific.

This case is not occupation-specific.

Sources

- 03 April 2020: LR ekonomikos ir inovacijų ministro įsakymas Nr. 4-201 (2020-04-03) (e-seimas.lrs.lt)