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Factsheet for case SI-2020-11/447

Deferred payments of borrowers' obligations and state guarantee

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Country	Slovenia, applies nationwide
Time period	Temporary, 13 March 2020 - 29 November 2020
Type	Legislation or other statutory regulation
Category	Supporting businesses to stay afloat – Access to finance
Case created	10 April 2020 (updated 22 April 2020)

Background Information

The 'Intervention Measure Act on Deferred Payments of Borrowers' Obligations (ZIUOPOK, adopted on 20 March 2020) determines postponement of debt repayment for twelfth months. The next law (Intervention measures to mitigate the effects of the SARS-CoV-2 (COVID-19) infectious disease epidemic on citizens and the economy Act, ZIUZEOP), adopted on 2 April 2020, offers state guarantees for the repayment of debt. From a general point of view, deferred payment, in the Slovenian legal framework, is an emergency measure for preventing severe economic damage and preserving financial stability in the Republic of Slovenia. It determines the postponement of outstanding debt for twelfth months. The measure concerns companies, farmers, not-for-profit organizations, and individual persons. The temporary failure of debt service must be a consequence of the epidemic. Company or person can apply for postponement of payments to the bank within six months after the end of the state of emergency. The borrower is obliged to monthly reporting on solving financial difficulties.

Content of measure

Intervention Measure Act on Deferred Payments of Borrowers' Obligations (ZIUOPOK, adopted on 20 March 2020) determines postponement of debt repayment for twelfth months. The next law (Intervention measures to mitigate the effects of the SARS-CoV-2 (COVID-19) infectious disease epidemic on citizens and the economy Act, ZIUZEOP), adopted on 2 April 2020, offers state guarantees for the repayment of debt. Guarantees may amount to 25% of instalments for which the bank and the creditor agreed to postpone. They may amount to 50% for individual persons or companies whose activities were closed down by state or local

authorities during the epidemic. Guarantees also apply to newly settled credits intending to provide liquidity for business firms. The total sum of the guarantee fund is €200 million.

Use of measure

Deferred payments of debt and state guarantees address the needs of companies, farmers, not-for-profit organizations, and individual persons. A bank which does not consent to the justified request for the postponement of borrower's obligations can be fined up to €250,000. State-owned SID Bank administers the state guarantees. Bank of Slovenia and Market Inspection survey and control the implementation of the two laws.

Actors, target groups and funding

Actors	Target groups	Funding
National government Company / Companies	All companies	National funds

Social partners

Role of social partners	Consulted
Form of involvement	Other

They proposed changes to the law

Sectors and occupations

This case is not sector-specific.

This case is not occupation-specific.

Sources

- 28 March 2020: Zakon o interventnem ukrepu odloga plačila obveznosti kreditorejmalcev [Intervention Measure Act on Deferred Payments of Borrowers' Obligations (www.pisrs.si)
- 10 April 2020: Zakon o interventnih ukrepih za zaježitev epidemije COVID-19 in omilitv njenih posledic za državljane in gospodarstvo (ZIUZEOP) [Intervention measures to mitigate the effects of the SARS-CoV-2 (COVID-19) infectious disease epidemic on citizens and the economy Act (ZIUZEOP),), Official Gazette RS, no. 49, 2020 (www.pisrs.si)