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Factsheet for case RO-2020-18/535

Temporary suspension of payment obligations for loans

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|--------------|--|
| Country | Romania, applies nationwide |
| Time period | Temporary, 30 April 2020 - 15 May 2020 |
| Type | Legislation or other statutory regulation |
| Category | Supporting businesses to stay afloat – Deferral of payments |
| Case created | 13 April 2020 (updated 03 May 2020) |

Background information

The Romanian Government introduced several measures to mitigate the negative effects of the COVID-19 outbreak, which lead to certain debtors being negatively affected, small and medium-sized enterprises and other legal entities facing a severe lack of liquidity. In this context and in order to limit the extent of the economic hardships, the Government allows the entities that are beneficiaries of loans from financial institutions to suspend their payment obligations for up to 9 months, but no longer than 31 December 2020.

Content of measure

The Government allows the entities that are beneficiaries of loans from financial institutions to suspend their payment obligations for up to 9 months, but no longer than 31 December 2020. Any individual or legal entity, be they persons, enterprises or other forms of activity (self-employed persons, family businesses) who have acquired a loan or a leasing qualify for a temporary suspension. The debtors must be in good standing, having settled their financial obligations to the date before making the request for suspension. A sworn statement must be provided by the debtors, attesting the fact that their activity has been affected by the pandemic. The legal entities must provide proof, in the form of certificates for emergency situations, obtained from the Ministry of Economy, Energy and Business. The precondition is for the entity asking for suspension to be directly or indirectly affected by the pandemic.

The months of suspension are to be added to the initial credit period, and the total credit period that result cannot exceed the sum of the initial credit period and the months of suspension.

Use of measure

Romanian banks have approximately 1,5 million retail clients and 100.000 corporate costumers. Approximately 10% (150.000 retail customers and 10.000 corporate customers) have applied for the suspension of payments until 12th April 2020, but the number will probably increase, since the measure applies until mid-May 2020.

Actors, target groups and funding

| Actors | Target groups | Funding |
|--|--|-----------------------------|
| National government Company / Companies | Self-employed Other workers & citizens All companies SMEs One person or microenterprises | No special funding required |

Social partners

| | |
|-------------------------|----------------|
| Role of social partners | No involvement |
| Form of involvement | No involvement |

Starting with the 26th March, the Government has suspended the social dialogue for the period of state of emergency

Sectors and occupations

This case is not sector-specific.

This case is not occupation-specific.

Sources

- 30 March 2020: GEO 37/2020 (lege5.ro)