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Factsheet for case **LT-2020-16/359**

Soft loans to provide liquidity in the most affected sectors

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|--------------|---|
| Country | Lithuania, applies nationwide |
| Time period | Temporary, 16 April 2020 - 31 December 2020 |
| Type | Legislation or other statutory regulation |
| Category | Supporting businesses to stay afloat – Access to finance |
| Case created | 07 April 2020 (updated 17 April 2020) |

Background Information

The National Development Agency INVEGA plans to provide soft loans to companies through financial institutions to maintain companies' liquidity. Loans are granted to companies if the turnover has fallen by more than 60% as a result of the COVID-19 pandemic. The terms and conditions of loans are regulated by the Regulations on the provision of guarantees for small and medium business loans, as approved Order No. 4-188 of the Minister for the Economy and Innovation of the Republic of Lithuania of 27 March 2020.

Content of measure

The measure is targeted at small- and medium-sized businesses operating in the most affected sectors, i.e. where activities are completely banned and there is no turnover or it has fallen by more than 60%. The size of the loan will be limited to the amount needed to cover the company's necessary expenses. The financial institution will calculate how much money the company needs to survive (for salaries, rent, etc). for the period from 16 March 2020 to 31 July 2020 and will pay that amount to the company. Business entities will start repaying the loan 6 months after receiving the loan. The maximum amount of the loan - 100,000 Eur. The company will pay a fixed interest rate depending on the duration of the loan - 0.1% for the loans shorter than 12 months, 0.19% - for the loans that will be repaid in 13 - 36 months.

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

- 27 March 2020: LR ekonomikos ir inovacijų ministro įsakymas Nr. 4-188 (2020-03-27) (e-seimas.lrs.lt)
- 14 April 2020: Invega informacija (invega.lt)