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Factsheet for case CY-2020-14/401

Suspension of payment of credit facilities installments

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Country	Cyprus, applies nationwide
Time period	Temporary, 30 March 2020 - 31 December 2020
Type	Legislation or other statutory regulation
Category	Supporting businesses to stay afloat – Deferral of payments
Case created	09 April 2020 (updated 06 May 2020)

Background information

The Article 5 of the 'Emergency Measures Law for Financial Organizations and Supervisory Authorities' (2020) decided by the Cabinet, having regard the opinion of the Central Bank of Cyprus, provides the suspension of payments of credit facilities installments to financial organizations (i.e. Banks) up until the 31 December 2020.

The law covers all natural and legal persons, self-employed workers and businesses and concerns the credit facilities (including syndicated loans) given, purchased and/or are under the management of financial organizations

Content of measure

The eligibility criterion for the beneficiaries (natural and legal persons of public entities, self-employed workers and businesses) is that they do not have payment delays of their credit facilities of more than 30 days at the 29 February 2020.

The Law foresees a single process for the suspension of payment, which is the submission of a relative application form to the financial organization of the beneficiary through mail, email or fax. Financial organizations, according to the law, have no right to reject any application unless the applicant does not fulfill the payment delay criterion.

The suspension of payments includes also the taxes of loans. The taxes will be added to the sum of the outstanding loan at the end period of the measure. Payments and taxes, in addition, should not be payable after the end period of the measure unless the two parties agree differently. Instead, the repayment period of the loans will be elongated accordingly. It is noted that the terms of the loan contracts and all respective legal documents shall remain the same (except the repayment period) during and after the measure.

Use of measure

There is not an estimation of the use of the measure by beneficiaries to this moment.

Actors, target groups and funding

Actors	Target groups	Funding
National government Social partners jointly Trade unions Employers' organisations	Employees Self-employed Other workers & citizens All companies SMEs One person or microenterprises Larger corporations Other businesses	No special funding required

Social partners

Role of social partners	Agreed (outcome)
Form of involvement	Direct consultation

The government and the Central Bank of Cyprus jointly consulted the social partners - trade unions, employers' organizations and political parties - and the outcome emerged is on an agreed base.

Sectors and occupations

This case is not sector-specific.

This case is not occupation-specific.

Sources

- 30 March 2020: Emergency Measures Law for Financial Organizations and Supervisory Authorities' (2020) (mof.gov.cy)