

NEWSFLASH

Financial support for SME from external non-reimbursable funds

Dear Ladies and Gentlemen,

Given the drastic economic effects of the current SARS-Cov-2 pandemic and the crucial role of small and medium enterprises (hereinafter “**SME**”) for the Romanian economy, the Romanian Government has issued the Emergency Ordinance no. 130/ 2020 (hereinafter “**EO 130**”), by which it sets the conditions for granting financial support for Romanian SMEs from external non-reimbursable funds. The financial support can be granted until 31.12.2020 at the latest.

1. Beneficiaries of the financial support

The provisions of the EO 130 are applicable for SME, as defined by Law no. 346/ 2004, as well as for freelancers (*persoane fizice autorizate*, hereinafter “**PFA**”) and individual medical practices (*cabinete medicale individuale*, hereinafter “**CMI**”).

2. Types of financial support

According to the EO 130, the financial support can be granted in 3 forms:

a. Microgrants

The microgrants amount to 2.000,00 EUR and can be granted one time as a lump-sum to the following beneficiaries:

- SME which, according to the financial statements, had no employees at 31.12.2019;
- PFA and NGOs with certain economic activities expressly provided by EO 130;
- PFA and CMI involved in transporting, equipping, evaluating, diagnose and treatment of patients with COVID-19.

b. Grants for working capital

Working capital is defined as the difference between the current assets and short- term debts.

The value of these grants depends on the criteria fulfilled by the applicant, as follows:

- for SMEs with a turnover between 5.000,00 and 13.500,00 EUR in 2019, the grant amounts to 2.000,00 EUR;
- for SMEs with a turnover between 13.501,00 and 1.000.000,00 EUR in 2019, the grant amounts to 15% of the turnover;
- for SMEs the turnover of which exceeded 1.000.000,00 EUR in 2019, the grant amounts to 150.000,00 EUR.

If the applicant is part of a group of companies and several applications have been submitted by such group, the cumulated value of the grant shall not exceed. 250.000,00 EUR.

Moreover, the applicant has to ensure its own contribution to the grant for working capital, amounting to 15% of the grant.

c. Grants for investments

This type of financial support is granted based on the evaluation of an investment project prepared and filed by the applicant and amounts to 50.000,00 EUR – 200.000,00 EUR. The own contribution of the applicant amounts to 15% for applicants from “less developed regions” of Romania and to 30% for applicants from the Bucharest-Ilfov region.

Both the EO 130 and guides for applicants regarding the grants mentioned in lit. a and b above, which have been published in the meantime, expressly provide detailed rules regarding the conditions that must be fulfilled by beneficiaries, as well as the destination of the amounts received as financial support, in all cases.

The support will be granted on a “first come, first served” basis.

We will be happy to answer any questions you may have pertaining to this subject.

Sincerely,

STALFORT Legal. Tax. Audit.

Contact and further information:



STALFORT Legal. Tax. Audit.
Bucharest – Bistrița – Sibiu

Office Bucharest:

T.: +40 – 21 – 301 03 53

F: +40 – 21 – 315 78 36

M: bukarest@stalfort.ro

www.stalfort.ro